Crown Corporation
Business Plans
Province of Nova Scotia
for the fiscal year **2002–03**

Printed by order of the House of Assembly

Submitted by
The Honourable Neil J. LeBlanc
Minister of Finance

106-05051/

© Crown copyright, Province of Nova Scotia, 2002

Designed and published by
Communications Nova Scotia

ISBN: 0-88871-731-8

This document is available on the Internet at

http://www.gov.ns.ca/tpb/pub2002/

Crown Corporation Business Plans

Crown corporation business plans are printed under authority of Section 73 of the Provincial Finance Act:

73 *Commencing April 1, 1997, a crown corporation shall annually*

(a) submit to the House of Assembly for approval during consideration of the Estimates its business plan and any proposed public financing; and

(b) table in the House of Assembly audited financial statements for the preceding fiscal year

The public presentation, annually, of Crown corporation business plans will increase the accountability to the House of Assembly of organizations generally accepted to be in the public sector but outside the direct control of government. Business plans define key elements of Crown corporations such as their mission, strategic goals, and core functions as well as give indication of performance, priorities, outcome measures, and budgets.

Organizations included in this volume are designated as Crown corporations by their enabling legislation, by Order in Council, or by application of the criteria established under Section 70 (Crown Corporations) of the Provincial Finance Act.

The approval of business plans as required by clause (a) will be sought through the Estimates Resolutions. Compliance with clause (b) will be achieved throughout the fiscal year as audited financial statements become available.

Crown Corporation
Business Plans
Province of Nova Scotia

Contents

Art Gallery of Nova Scotia 5
Halifax-Dartmouth Bridge Commission 23
In*NOVA*corp 33
Nova Scotia Arts Council 43
Nova Scotia Business Incorporated 45
Nova Scotia Crop and Livestock Insurance Commission 61
Nova Scotia Farm Loan Board 69
Nova Scotia Film Development Corporation 83
Nova Scotia Fisheries and Aquaculture Loan Board 101
Nova Scotia Gaming Corporation 113
Nova Scotia Government Fund Limited 129
Nova Scotia Harness Racing Incorporated 133
Nova Scotia Housing Development Corporation 141
Nova Scotia Liquor Corporation 147
Nova Scotia Municipal Finance Corporation 173
Nova Scotia Power Finance Corporation 187
Nova Scotia Resources Limited. 191
Rockingham Terminal Inc. 193
Sydney Environmental Resources Limited 195
Sydney Steel Corporation 205
Trade Centre Limited. 211
Waterfront Development Corporation Limited 223

Crown Corporation

Business Plans

Province of Nova Scotia

Art Gallery of Nova Scotia

Business Plan 2002–03

Contents

Introduction 7

Mission 8

Planning Context 8

Strategic Goals 11

Core Business Areas 12

Priorities 12

Budget Context 15

Outcomes and Outcome Measures 16

Introduction

The Art Gallery of Nova Scotia is an agency of the Province of Nova Scotia for the acquisition, preservation, and exhibition of works of art, holding them in trust for the people of Nova Scotia, and for providing education in the visual arts. Its purpose is to set a standard that presents the province and its people as major contributors to the cultural growth of the province as well as to the country and internationally. The gallery strives to offer balanced programs, addressing the needs and interest of all Nova Scotians while recognizing the cultural diversities within the province.

The Art Gallery of Nova Scotia is in a unique position to provide access to original art objects and to create an environment of lifelong learning in the visual arts, Nova Scotia's cultural history, and the ideas, issues, and concerns to make the arts a central element in the economic and well-being of society. While the gallery has no competitors for its core function, it is in competition with various arts, leisure, and not-for-profit organizations for both users and funding support. The gallery is sensitive to its public image and the expectations from its current and potential customers; therefore, the gallery must continually strive to develop a first-class collection and to provide quality programs, exhibitions, and services.

Housed in the former Dominion Building and occupying 2 1/2 floors of the Provincial Building, the AGNS encompasses 7150 m2 (77,000 sq. ft.) of space. AGNS has 35 gallery spaces, a conservation laboratory, a photography studio, a dark room, preparation workshops, a lecture theatre, seminar rooms, working studios, an artist-in-residence studio, a retail shop, a café, and an office area. The collection comprises over 9,000 works of art valued at approximately $100 million, with approximately 1,000 artworks on display in 31 galleries at any given time. In addition, temporary exhibitions are mounted annually in temporary exhibition galleries and include some 1,000 works from public and private collections as well as from the gallery's own collection. Exhibitions are provided on an ongoing basis to Government House, Province House, and Halifax City Hall. AGNS has 20 full-time positions and 3 part-time personnel, along with several highly educated and well-trained contract service providers, assisted by a volunteer core of 225 people.

A Western Branch is currently under development in Yarmouth to serve all of western Nova Scotia. The Western Branch will be a microcosm of the main gallery in Halifax providing exhibitions, programs, and services.

As an agency of the province, the gallery is responsible to the Department of Tourism and Culture. The gallery is overseen by a Board of Governors made up of dedicated corporate and individual volunteers, who accept and hold a public trust and ensure that cultural activity remains in the public domain to the benefit of this and future generations. The AGNS board assumes responsibility, loyalty, and a duty to uphold the integrity of the organization. The role, responsibilities, and functions of a governor must be carried out with a full understanding and appreciation of the organization. The Board of Governors promotes the vitality of the AGNS by accepting and undertaking effective fund-raising efforts and providing an advocacy role.

The advocacy role of the AGNS Board of Governors is extraordinary in developing community awareness of the mission of the gallery; in representing and interpreting the gallery to community, government, foundation, corporate, and other funding agencies; in monitoring government legislation and advising government officials on the impact of current and proposed policies; and in reporting to the membership on programs and services, legislation and future planning.

Mission

To serve the public by bringing the visual arts and people together in an environment that encourages exploration, dialogue, and enjoyment. This will be achieved by providing leadership in the development and preservation of quality collections, exhibitions, and education and public programs.

Planning Context

The year 2001 was designated as the "Year of Impressionism," and AGNS, in conjunction with public relations and marketing firms, developed a successful marketing strategy that greatly increased attendance at the gallery. A large number of these visitors came to the gallery for the first time, providing an opportunity for AGNS to educate the public on the numerous benefits, programs, exhibitions, and special services it provides.

The success of the Impressionist Masterworks from the National Gallery of Canada exhibition has set a very high standard of public expectation, and AGNS must work with other galleries across Canada to bring critically acclaimed exhibitions to Nova Scotia. Increased visitation benefits the gallery by increasing

admissions, memberships, food and retail sales, as well as attendance at art classes and workshops. High visitation is also a marketing tool for promoting corporate sponsorship partners.

The expansion of the Art Gallery of Nova Scotia into the Provincial Building in 1998 added substantial additional costs while provincial funding has decreased, creating additional demands for self-generated funds. The AGNS manages numerous funds for continued enhancement of the organization and the programs it offers to the public. Currently, 56 per cent of funds required to operate the provincial art gallery are self-generated, as compared to 37 per cent in 1997. In addition, AGNS raises 100 per cent of all monies required for the purchase of works of art from grants, private donors, corporations, and members. These monies are administered through the AGNS Acquisition Fund. AGNS has an Endowment Fund, established in 1993, for the long-term benefit of the gallery. Many of these donations have been given with the donor specifying restricted use, and they are directed to these purposes.

AGNS has experienced many years of continued growth. It has proven itself as a solid cultural organization for bringing art and people together. Based on the number of visitors and the scope of exhibitions and programs offered, AGNS ranks as the most important arts institution in Atlantic Canada, as reported in a recent survey by the Centre for Business and the Arts. Blockbuster exhibitions such as the Impressionist Masterworks from the National Gallery of Canada have helped to widen the reach into the community and to refocus interest in visual art. The AGNS is very fortunate to have an extensive network of dedicated volunteers who help with all aspects of fund development. However, many of these tried-and-true supporters are also helping other organizations in the community, and the number of charities and the urgency of their pleas for help have steadily grown over the past few years. Currently, there are many thousand of registered charities in Nova Scotia; many of these are not-for-profit organizations, and of particular note are those connected with health, which have an extremely strong case for support as perceived by donors. Recent studies have shown that giving habits of Canadians and Nova Scotians are changing, resulting in decreased net donations per capita. Our key corporate volunteers have less time than ever and have their community heart pulled in many directions.

Market performance in any given year dictates the income available for the gallery's use. The past year has seen a marked decline in the investment market, and projections from money analysts are that a return to performances of the previous several years is not expected. The decrease in market performance adversely

affects the ability of the gallery to support intended purposes. Over the past several years, despite our best efforts, we have been forced, due to provincial cutbacks, to draw down our Endowment Fund for operational purposes, which greatly impacts on the gallery's long-term best interest. Continued reliance on these funds at current levels will significantly erode the Endowment Fund over the next few years.

The past year has brought extensive changes to the corporate world. With the economy coming to a standstill, stock market fluctuations, mergers, restructuring, and lack of security, it has become increasingly more difficult to find corporate sponsors. Many companies have experienced down-sizing, extensive cuts to their budgets, and transfer of decision-making power outside the province, resulting in the need for AGNS to re-establish relationships that have been built over the years. As well, companies that have been perceived as the strongest community supporters for many years have changed their focus, resources, and ways of reaching their customers. Companies marketing high-end products (such as car manufacturers and investment companies) have had to re-examine their marketing strategies and assume a wait-and-see attitude in light of the recent changes in the economy.

Fund-raising in the local marketplace has reached the saturation point. Although the gallery has presented many successful fund-raising events, it is unlikely that such events can be a source of raising additional funding.

We believe our greatest opportunities lie in the areas of individual major gifts, planned giving, foundations, and endowments. The gallery needs to concentrate on finding new ways to expand the donor database, with the goal of moving donors up the giving pyramid. With proper cultivation, many of the current donors could contribute more to the gallery and serve as examples for other potential benefactors. More not-for-profit organizations such as museums and galleries (i.e., the Maritime Museum of the Atlantic) are hiring professional fund-raisers/development managers to assist in bringing new monies into the organization. The effect of this trend is greater competition for limited community resources.

In 2002–03, a proposed national campaign will be initiated to raise funds for the AGNS Endowment Fund. If this campaign is not successful, many of the current programs will have to be drastically curtailed. The events of September 11 have had a significant impact on the tourism industry as well as on the private sector, and the effects on revenues for the gallery could be far-reaching. The Art Gallery of

Nova Scotia must redefine its case for private support and re-examine its market strategy in the corporate world in light of recent global developments.

The upcoming year will present extensive challenges in the area of revenue development, not only in the amount of monies required to be raised from traditional sources but also in the need to identify new sources.

In summary, the AGNS Mission Statement of bringing art and people together is in jeopardy as the gallery struggles to maintain programs and exhibitions with continued government cutbacks. The consequences of a continued reduction in funding will have a grave impact on the Art Gallery of Nova Scotia.

Strategic Goals

- To maintain a balanced budget by increased funding from available sources, including various levels of government and the private and corporate sectors, and to launch a national campaign for the AGNS Endowment Fund.
- To maintain the acquisition of artworks and the preservation of our visual cultural heritage for future generations.
- To maintain public awareness of the programs and exhibitions offered, while ensuring each is thought-provoking, educational, challenging, and enjoyable, and to continue to increase public awareness of AGNS as a major destination for Nova Scotians and tourists.
- To support Nova Scotian artists through acquisitions to the permanent collection, exhibitions, educational opportunities, and marketing their work in the Gallery Shop and the Art Sales and Rental Gallery, thereby fulfilling our role as a major player in the cultural industry of this province while assisting Nova Scotia's artists in making a career based in the province.
- To provide opportunities for lifelong learning, through programs and services for children, teenagers, and adults, and to provide opportunities for staff and volunteers to increase their knowledge, skills, and expertise and to work in a professional environment that promotes organizational effectiveness through teamwork, development, training, and the use of advanced technologies.
- To enhance rural economic development by finalizing the capital campaign of the Western Branch of the AGNS in Yarmouth and to begin the first year of operation.

Core Business Areas

1. Temporary Exhibits

To provide exhibitions (from the collection and external sources) that explore the breadth and depth of visual art in current and past times, through extensively researched publications, presentations, and public programs.

2. Conservation

To ensure that all works of art are preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted practices of research, examination, analysis, and documentation.

3. Artworks

To acquire artworks for the permanent collection through donation and purchase. The collection, which is held in trust for the citizens of Nova Scotia, is guided by an acquisition policy and a committee of internal and external members. Management of the collection, documentation, maintenance of records, and research pertaining to the art are core responsibilities.

4. Education

To provide high-quality art education programs for learners of all ages by working in partnership with individuals and community groups, schools, teachers, and artists.

5. Information Resource

To be a comprehensive resource for information on Nova Scotian artists and to contribute to the development of the province's cultural industries.

Priorities

1. Temporary Exhibits

- to develop exhibitions addressing the diversity of visual culture in Nova Scotia
- to develop and promote traveling exhibition programs that enable AGNS to share works from the permanent collection with other institutions by having them travel regionally, nationally, and internationally
- to publish scholarly catalogues that document our cultural heritage
- to develop challenging exhibitions placing Nova Scotian artists in regional, national, and international contexts

- to bring high-profile exhibitions to AGNS, increasing audience attendance and revenues

2. Conservation

- to continue to enhance preventative measures and policies that ensure the preservation of the province's cultural heritage for generations to come
- to develop a priority list for the treatment of works of art for the next two years (Other government heritage institutions, such as the Nova Scotia Museum, the Maritime Museum of the Atlantic, and the Nova Scotia Archives are often beneficiaries of this conservation treatment schedule.)
- to continue to upgrade the equipment and materials required to operate a first-class conservation laboratory
- to develop a schedule and funding base for contracting-out for the treatment of objects requiring specialized expertise in areas other than painting conservation
- to provide conservation-related information to Nova Scotian artists and the public through advisory sessions, public lectures, written articles, and books
- to continue to provide specialized training to a conservation intern in the field of painting conservation as a means of sharing professional expertise

3. Artworks

- to continue to acquire artworks according to the acquisition mandate, to better reflect Nova Scotia's cultural heritage
- to develop exhibitions based on the gallery's permanent collection that exhibit original research and add to the scholarly record of our cultural heritage
- to implement the enhanced collections database, IO, which will greatly expand the AGNS's current limited capability for collections and records management
- to develop a publication on the permanent collection
- to enhance the AGNS Acquisition Fund, providing for funding to purchase artworks
- to complete the site inventory of artworks in the AGNS permanent collection, as well as in the NSCAD, study, and loan collections

4. Education

- to further develop, through the AGNS Visually Yours Program, a high-quality, high-profile arts education tour and studio program that is offered at the gallery to schools throughout the province
- to develop and expand the Early Childhood Education program with a strong focus on mentoring and in-service collaboration.
- to provide a series of interactive exhibitions in the Education Gallery that draw on contemporary aspects of the permanent collection
- to evaluate core educational programs for children, teens, families, and the general public
- to publish a collaborative arts education handbook for children based on the permanent collection and core programming ideas
- to build new and diverse audiences through the development of partnerships, programs, and community outreach projects

5. Information Resource

- to redesign the AGNS website, increasing the global profile of the gallery through the dissemination of information and e-commerce
- to establish a library resource centre, providing research capabilities for scholars, students, curators, and professional museum staff, and to actively increase donations of art books and documents
- to collaborate with sister institutions (i.e., NSCAD) on research and publishing of scholarly materials and to establish the NSCAD Archive at AGNS
- to reorganize the staff and volunteer structures to achieve maximum effectiveness and job satisfaction
- to develop products to promote the collection and generate funds

Budget Context

Estimated Budget Expenditures by Core Business

Core Business	Prior Year Actuals	Budget 2002–03
Core Business 1: Temporary Exhibitions	$400,000	$410,000
Core Business 2: Conservation	$60,000	$20,000
Core Business 3: Artworks	$58,000	$60,000
Core Business 4: Education	$86,000	$90,000
Core Business 5: Information Resource	$20,000	$25,000
Physical plant	$872,000	$900,000
Administration and support	$287,000	$414,400
Salaries and benefits	$740,000	$814,600
Gross current	$2,253,000	$2,734,000

Outcomes and Outcome Measures

[redacted] *Temporary Exhibitions*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Exhibitions addressing the cultural diversity of the visual culture in Nova Scotia	• Increased diversity in our programming	• Exhibitions, programs	• Open First Nations Gallery	• Increase diversity of Artist-in-Residence program (women, visible minorities, emerging artists) • Develop an emerging artist series exhibition • Show more Nova Scotian artists in solo and group exhibitions	• Continue to increase diversity of Artist-in-Residence program (women, visible minorities, emerging artists) • Develop an emerging artist series exhibition • Show more Nova Scotian artists in solo and group exhibitions	• Studio visits • Outreach • Selection of artists from diverse backgrounds for exhibition, for artist-in-residence, for acquisition of their work
• Further development of the AGNS travelling exhibition program	• The AGNS Collection is owned by all Nova Scotians but is primarily available for view only in Halifax	• Works on loan, publications feedback, client satisfaction	• Loan works from collection to sister institutions • Offer exhibitions for loan	• Make collection available on line to sister institutions • Develop travelling shows from collection (i.e., Gerald Ferguson Survey, Folk Art show)	• Develop travelling shows from collection to offer to sister institutions	• Open Western Branch in Yarmouth • In concert with sister institutions develop exhibitions that meet their needs for programming • Develop travelling shows based on the AGNS collection • Make information on our collection available on line to sister institutions
• Publication of scholarly catalogues that document our cultural heritage	• Relative lack of information on Nova Scotia's cultural heritage	• Publications feedback	• Publish catalogues for all AGNS-generated exhibitions	• Publish catalogues for all AGNS-generated exhibitions	• Publish catalogues for all AGNS-generated exhibitions	• Produce catalogues for all AGNS-generated exhibitions • Commission guest essays from scholars and other curators • Distribute catalogues widely

Outcomes and Outcome Measures

[redacted] *Temporary Exhibitions*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Exhibitions addressing the cultural diversity of the visual culture in Nova Scotia	• Increased diversity in our programming	• Exhibitions, programs	• Open First Nations Gallery	• Increase diversity of Artist-in-Residence program (women, visible minorities, emerging artists) • Develop an emerging artist series exhibition • Show more Nova Scotian artists in solo and group exhibitions	• Continue to increase diversity of Artist-in-Residence program (women, visible minorities, emerging artists) • Develop an emerging artist series exhibition • Show more Nova Scotian artists in solo and group exhibitions	• Studio visits • Outreach • Selection of artists from diverse backgrounds for exhibition, for artist-in-residence, for acquisition of their work
• Further development of the AGNS travelling exhibition program	• The AGNS Collection is owned by all Nova Scotians but is primarily available for view only in Halifax	• Works on loan, publications feedback, client satisfaction	• Loan works from collection to sister institutions • Offer exhibitions for loan	• Make collection available on line to sister institutions • Develop travelling shows from collection (i.e., Gerald Ferguson Survey, Folk Art show)	• Develop travelling shows from collection to offer to sister institutions	• Open Western Branch in Yarmouth • In concert with sister institutions develop exhibitions that meet their needs for programming • Develop travelling shows based on the AGNS collection • Make information on our collection available on line to sister institutions
• Publication of scholarly catalogues that document our cultural heritage	• Relative lack of information on Nova Scotia's cultural heritage	• Publications feedback	• Publish catalogues for all AGNS-generated exhibitions	• Publish catalogues for all AGNS-generated exhibitions	• Publish catalogues for all AGNS-generated exhibitions	• Produce catalogues for all AGNS-generated exhibitions • Commission guest essays from scholars and other curators • Distribute catalogues widely

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Challenging exhibitions that place Nova Scotian artists in the regional, national, and international contexts	• Relative isolation of artists in Nova Scotia vis-à-vis the national and international art scene	• Travelling exhibitions • Guest artists • Increased grant levels	• Tour solo and group shows of Nova Scotian artists regionally and nationally (i.e., Jan Peacock to Winnipeg and Calgary; Charlotte Wilson Hammond to Yarmouth)	• Tour solo shows of Nova Scotian artists regionally and nationally (i.e., Michael Fernandes to Toronto, Edmonton, Hartford, CT)	• Tour Alex Colville exhibition nationally • Send representation to international art fairs to build connections • Tour Nova Scotian exhibitions regionally and nationally • Mount an exhibition of Acadian art to tour nationally and internationally: Montreal, Paris, London, Washington, New Orleans)	• Develop group exhibitions that feature Nova Scotian artists with their peers, building connections with institutions, nationally and internationally, to facilitate exchange • Tour AGNS-generated exhibitions regionally, nationally, and internationally
• High-profile exhibitions at the AGNS		• Bring Impressionist Masterworks from the National Gallery of Canada to Nova Scotia	• Bring a masterworks exhibition to Nova Scotia	• Bring Post-Impressionist Masterworks from the National Gallery of Canada to Nova Scotia • Mount an Alex Colville exhibition	• Bring a European masterworks exhibition to Nova Scotia	• Make connections nationally and internationally with other galleries and museums to build bridges that will allow us to bring high-profile exhibitions to Nova Scotia

[redacted] *Conservation*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Stable museum-standard environmental conditions throughout all galleries	• Lighting and humidity problems within galleries	• Upgrading of HVAC and lighting equipment	• 2001–02 fluctuations in environmental conditions	• 75%	• 100%	• Apply for grants to aid upgrade in equipment
• Ongoing treatment of art objects	• Works that require various treatments	• Setting of priorities for long-term treatment needs	• 60% of works requiring treatment being completed	• 80%	• 100%	• Use conservation specialist in the private sector
• Increased treatment of art objects other than painting	• Number of works unable to be treated in-house	• Number of works treated	• 0	• 10%	• 15%	• Increase funding to support conservation
• Increased information and education delivery regarding preservation of artworks	• Lack of understanding of importance of preserving our cultural heritage	• Request from outside organizations	• 0	• 20%	• 30%	• Written articles and consultation services

[redacted] *Artworks*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Enhanced collection	• Number of works in collection	• Inventory count	• 2001–02: 10,000 works	• 5%	• 10%	• Donations from private collectors
• Permanent collection catalogue	• Request from public	• Guidelines and selection	• 2001–02: No catalogue	• 50%	• 100%	• Seek funding to undertake project
• Enhanced collection database	• Updated version of existing SNAP and ongoing database and collections requirements	• Completion of records transfer	• 75%	• 100%		• Upgrade hardware • Transfer records to database
• Completion of collection inventory	• Complete documentation of all works	• Inventory completed	• Partially complete	• 100%		• Hire contract staff to complete input and documentation

[redacted] *Education*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Further development of the Visually Yours program for school groups	• Continual demand for school programs	• Number of school groups • Update of programs	• Design and offer Impressionist Masterworks school tour	• Design and offer new introductory school tour for grades P–2 • Design new tour for Post-Impressionist exhibition	• Continue to design new school programs as appropriate to curriculum and exhibition schedule	• Identify and develop new programs • Evaluate ongoing programs and revise as necessary • Develop resource materials for teachers
• Development and expansion of the Early Childhood Education Program with a focus on mentoring and inservice	• Small number of visits from ECE • No directed studio tours presently offered	• ECE programs • Pilot program kits available to ECE daycare centres • Practicum internship established with St. Joseph's College of ECE	• Make initial contact with St. Joseph's College of ECE and NS Family and Children's Services	• Design and offer ECE studio/tour program at AGNS • Begin outreach inservicing through program kits and presentations to parents and caregivers • Begin practicum internship program at AGNS	• Expand specific ECE programs	• Organize new ECE studio/tour program • Pilot four program kits to be used in ECE centres • Apply for funding from Family and Children's Services
• Series of interactive exhibitions in the Education Gallery based on contemporary aspects of the permanent collection	• Presently limited exhibitions on contemporary artworks in AGNS collection	• Exhibitions, related interactional activities in the Education Gallery	• Develop series of contemporary art exhibitions and secure funding	• Artist-in-residence Greg Forrest's exhibition, Heavy Metal • Summer exhibition, What Is Contemporary?	• What Is Contemporary II exhibition	• Research collection • Plan exhibitions and related program and written material for contemporary exhibitions

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Evaluation of core education and public programs	• Relative lack of concrete evaluation of some programs	• Surveys • Focus groups • Comparative studies	• Distribute evaluation form teachers • Docents evaluated IM tour	• Develop questionnaire for participants of family programs (Family Sundays) and Summer School of the Arts	• Mail out evaluation to schools for Visually Yours arts programs	• Develop evaluation materials
• Publication of an arts education handbook for children using the AGNS permanent art collection	• Lack of published information for children on permanent collection and how to access it	• Publication	• Research material published by other art institutions	• Research, design, and publish handbook as a collaborative project between curator and educator	• Explore other publishing ventures for children and families	• Research and collect material, including programming ideas • Secure publisher
• New and diverse audiences built through partnerships and community outreach	• AGNS audience still needs to be expanded	• Increased diversity in audience	• YouthNet Summer Camp program and Colourful Minds exhibition • Art as Language exhibition with MISA/YMCA partners • Beginning links with Phoenix Centre and St. Joseph's College of ECE	• Secure umbrella funding from foundation • Begin after-school program for North End inner-city teens • Begin Art Group with Phoenix Centre • Explore further partnerships and continue to solidify existing programs for various groups	• Continue to build on established partnerships and develop new links with community groups	• Visit community groups outside of gallery • Secure sponsorships for core programs • Offer exhibitions/programs relevant to diverse audiences

[redacted] *Information Resource*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Redesign of the AGNS website	• Number of hits on AGNS website and requests for additional information and sale of goods and services	• Response to programs and activities	• Current statistics	• Secure corporate sponsor • Increase visits by 20%	• Double number of visits to site	• Secure donation of website redesign • Engage consultant to implement and evaluate
• Establishment of a library resource centre and increased donation of art books and documents	• Demand for usage from researchers, curators, and students	• Client use and satisfaction	• Design and prepare for retrofit of space	• Reorganize existing library • Increase volume of reference books through donations		• Secure gifts of art books and funds
• Collaboration with sister institutions and establishment of the NSCAD Archive	• Need for research facilities and to keep record of visual art heritage of Nova Scotia	• Service to students, faculty, curators, researchers, and the general public	• Establish partnership with NSCAD and retrofit space	• Open the Elisabeth E. Connor NSCAD Archive	• Continue to provide services to students, faculty, curators, and researchers • Develop collection	
• Development of products to promote the collection and generate funds	• Sales records and retail outlet responses • Number of licensees	• Volumes of wholesale sales and royalty payments to artists	• Identify artworks for reproduction • Sell existing inventory • Secure diverse funding sources	• Increase sales by 25% throughout Atlantic Canada	• Increase sales by 25% throughout Canada	• Secure sponsors • Compile marketing strategy
• Reorganization of staff and volunteer structures	• Efficiency of program delivery • Job satisfaction • Client satisfaction	• Ability to carry out professional programs in the visual arts for Nova Scotia	• Implement reorganization	• Add positions for Western Branch and positions for NSCAD Archive, provided by NSCAD human resources	• Increase staffing as allowed by special funding, as it is secured primarily for programming	• Develop partnerships with sister institutions • Secure endowment and private-sector funds to sustain activity

Crown Corporation

Business Plans

Province of Nova Scotia

Halifax–Dartmouth Bridge Commission

Business Plan 2002–03

Contents

Mandate 25
Mission 25
Planning Context 25
Strategic Goals 26
Core Business Areas 27
Priorities 28
Budget Context 30
Outcomes and Outcome Measures 31

Mandate

The Halifax-Dartmouth Bridge Commission was created in 1950 by a statute of the province of Nova Scotia. With the approval of the Governor in Council, the commission has the power to construct, maintain, and operate bridges and the necessary approaches across Halifax Harbour and the North West Arm, or either of them. The commission is a self-supporting entity that operates two toll bridges, the Angus L. Macdonald and the A. Murray MacKay.

Mission

To provide safe, convenient and reliable passage for our patrons at an appropriate cost.

Planning Context

Strengths

During the past few years, the commission has undertaken a number of projects that have increased capacity and improved traffic flow on both bridges. These projects included the recent resurfacing and waterproofing of the MacKay Bridge; addition of the third lane, sidewalk, and bicycle lanes on the Macdonald Bridge and construction of the Barrington Street ramp; and the introduction of electronic toll collection (MACPASS).

In 1997, the commission issued $100 million of Toll Revenue Bonds Series 1 (maturing December 4, 2007) at an annual interest rate of 5.95 per cent. At the same time, a $30-million line of credit ($23 million outstanding) was arranged with the province. The Toll Revenue Bonds Series 1 is secured by an assignment of the commission's revenues, and is not guaranteed by the Province of Nova Scotia. These bonds are rated AA (low) by Dominion Bond Rating Service Limited and A+ by Standard & Poor's Ratings Group.

During 2001, the Macdonald and MacKay bridges carried approximately 30.3 million vehicles. Both the third lane on the Macdonald Bridge and MACPASS are visible contributors to the efficient handling of traffic on the bridges. On a per capita basis, these bridges are among the most frequently used toll bridges in North America. Cars and small trucks represent approximately 96.3 per cent of the total traffic volume, with the remaining 3.7 per cent comprising large trucks and buses.

Risks

During the construction of the third lane on the Macdonald Bridge, a thin, lightweight wearing surface was installed on the entire span. This wearing surface, which protects the steel and concrete bridge decks, is not adhering properly, and in some areas is breaking away, forming shallow potholes. For the short term, these potholes have been repaired. The integrity and safety of the structure is not compromised as a result of the problem. An investigation into the debonding of the wearing surface is being conducted. Because this problem has been discovered within the warranty period provided by the manufacturer, the commission's legal counsel believes that any costs to the commission will be minimal.

Opportunities

The commission is continuing to promote MACPASS, as it is the most efficient method of toll payment. Currently, on a monthly basis, MACPASS accounts for more than 32 per cent of total traffic. On average, 38 new transponders were issued per business day for the year 2001, and MACPASS usage continues to increase. During 2002, the commission will continue to promote MACPASS usage in order to minimize plaza congestion and improve customer service.

The websites for the Halifax-Dartmouth Bridge Commission and MACPASS will be launched in early 2002. This presents an opportunity for enhanced communication and customer service among the commission's stakeholders and the general public.

Threats

In order to address anticipated cross-harbour traffic growth, the commission will conduct a bridge capacity study in 2002. This study will determine the current capacity of the bridges and identify potential improvements.

As the commission's toll revenue is reliant on bridge travel, an economic slowdown could have an effect on its cash flow.

Strategic Goals

In order to carry out its mission, the commission has defined the following five goals as strategic:

- Maintain public and employee safety by regularly reviewing the commission's policies, operations, and safety initiatives.
- Maintain the bridges and approaches in superior condition through a continuous maintenance program.
- Maintain convenient and reliable passage by working with stakeholders to identify access and egress improvements, which will accommodate future capacity requirements.

- Continue to promote electronic toll collection (MACPASS) in order to decrease traffic congestion and accommodate future increases in traffic growth.
- Ensure the continued financial stability of the commission through sound financial planning and management.

Core Business Areas

As identified in our mission "to provide safe, convenient and reliable passage for our patrons at an appropriate cost," public safety, efficient transportation, and fiscal management are the commission's core business areas:

1. Public Safety

The safety of the traveling public is assured through a number of programs and initiatives, including, but not limited to the following:

Maintaining a rigorous maintenance program

The commission's staff and its consulting engineers conduct ongoing monitoring and thorough annual inspections of the bridges and approaches to identify immediate, mid-term, and long-range requirements. These requirements are incorporated into the maintenance schedule and capital improvements program.

Ensuring the safety of bridge patrons

The commision's staff monitor bridge traffic, responding quickly to incidents and accidents as required. Corps of Commissionaires and maintenance staff accomplish this through video monitoring and continuous patrolling of the bridges and approaches. In addition, the commissionaires conduct speed enforcement to reduce the average vehicle speed on the bridges to ensure bridge safety.

The use of roadway ice detection systems and 24-hour a day maintenance staffing during winter months guarantees prompt attention to ice and snow removal on the structures and approaches, as bridges develop ice faster than other roadways.

2. Efficient Transportation

The management of traffic and reduction of congestion is an ongoing effort. In recent years, great strides have been made to improve traffic flow. These improvements include the recent resurfacing and waterproofing of the MacKay Bridge, construction of the third lane on the Macdonald Bridge and Barrington Street ramp, as well as the introduction of MACPASS.

The provision of efficient cross-harbour transportation for the traveling public is achieved through a number of programs

and initiatives that include, but are not limited to, the following:

Reducing congestion

The commission continues to promote MACPASS through a number of venues and is regularly assessing the opportunity to increase the number of dedicated MACPASS lanes. Constant monitoring and effective response by the Corps of Commissionaires to accidents and roadway conditions helps to ensure more efficient travel and raises the level of service provided by the commission.

3. Fiscal Management

Financial management and stability are achieved through various business functions and activities including, but not limited to the following:

Business functions and activities

In order to ensure sound financial management, the commission conducts its business by maintaining the bridges in superior condition and by effectively collecting tolls, electronically through MACPASS and mechanically through cash and tokens, from over 30 million vehicles annually.

The commission continuously reviews, develops, and implements policies, plans, and budgets to support annual operating costs and capital projects and ensures the most effective use of long-term borrowing and investment capabilities.

The commission maintains a cohesive and effective system of internal controls, which is key to successful fiscal management as is, assessing risk and obtaining adequate and appropriate insurance coverage for the protection of its assets and revenue stream.

Priorities

1. Public Safety

- One of the commission's main priorities is to reduce the speed of vehicles on the bridges in order to ensure safe passage for bridge patrons. This will be accomplished through the improvement of speed enforcement capabilities.
- The commission completed upgrading of the MacKay Bridge power supply in 2001, and plans are under way to improve nighttime visibility and directional signage through the installation of improved roadway lighting and highly reflective signage.
- Strain gauges and weigh scales will be installed at the MacKay Bridge to measure the performance of the structure during the presence of heavy vehicles and will assist with the reduction of overweight vehicles.

- The commission will maintain 24-hour-a-day maintenance staff during winter months for the control of snow and ice on the structures.
- The commission will implement a revised emergency response plan following a complete review with stakeholders and will facilitate continuous staff training to ensure the success of the plan.

2. Efficient Transportation

- The commission will add two additional MACPASS-only lanes to the MacKay Bridge and review the possibility of converting two toll lanes to MACPASS-only on the Macdonald Bridge. These additional dedicated lanes are expected to contribute to the reduction of toll plaza congestion.
- The commission will continue to promote MACPASS through a variety of promotional activities.
- The commission will conduct a study to determine the current capacity of the bridges and identify potential improvements.

3. Fiscal Management Priorities

Through the review, development, and implementation of policies, plans, and budgets, the commission will

- effectively collect tolls both electronically and mechanically
- maintain the reliability of internal control systems
- meet the obligations to the bondholders.
- meet capital project requirements
- manage the operating, maintenance and administration budget
- use the commission's $9-million cash flow for capital expenditures and investment for the reduction of the debt

Budget Context

Core Business Area	Actuals 2001–02 ($,000)	Budget 2002–03 ($,000)
Public Safety	1,090	1,182
Efficient Transportation	1,235	1,310
Fiscal Management	14,567	14,431
Administration and Support	781	817
Total Gross Current	17,673	17,740
Total—Program Expenses Net of Recoveries	(5,331)	(5,855)
Salaries and benefits	1,233	1,298
Funded staff (FTEs)	25.7	26.7

Outcomes and Outcome Measures

[redacted] 1 *Public Safety*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Decrease in the number of accidents and incidents involving personal injury and property damage	• Number of accidents and incidents per 100,000 vehicle kilometres traveled (VKTs)	• Reduction in the number of accidents and incidents resulting in personal injury or property loss	• 0.58/100,000 VKTs	• 0.55/100,000 VKTs	• 0.50/100,000 VKTs	• Maintain a rigorous winter maintenance program • Identify opportunities for structural improvements to increase the overall safety. (e.g., lighting, signage) • Maintain the bridges in superior condition
	• Speed of vehicles on the bridges	• Reduction of the average speed as per monthly surveys	• *			• Increase speed enforcement capability

* *Data will be collected in 2002 to establish a baseline for this measure.*

[redacted] 2 *Efficient Transportation*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002-03	Target 2004-05	Strategies to Achieve Target
• Reduced toll plaza congestion	• Queues for token purchases and change.	• Reduced number of vehicles lined up during peak periods	• 12 vehicles	• 10 vehicles	• 8 vehicles	• Increase *MACPASS* usage through continuous marketing and increased distribution
	• Queues for automatic toll lanes		• 6 vehicles	• 4 vehicles	• 2 vehicles	
• Increase in the number of transponders on the system from 36,000 to 42,000 by the end of 2002, raising the current usage from 32% to 40%	• Number of *MACPASS* transponders in use	• Greater usage of *MACPASS* – Total number of transponders on the system	• 36,000	• 42,000	• 51,000	
		– Total *MACPASS* trips per month *	• 757,000	• 883,000	• 1,072,000	
		– *MACPASS* trips as a percentage of total usage	• 30%	• 35%	• 43%	

* *Based on 30,300,000 vehicle trips per year.*

[redacted] *Fiscal Management*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002-03	Target 2004-05	Strategies to Achieve Target
• Reduced net debt	• Capital and sinking funds	• Accumulation of capital and sinking funds	• $5 million/ year	• $5 million/year	• $5 million/year	Maintain • bridges in superior condition • efficiency of crossings • effective toll collection • good internal controls • effective budget management • good cash management
• Positive cash flow	• Sufficient funds to run business, preventing the use of bank line of credit	• The number of times the line of credit is utilized	• 0	• 0	• 0	
• Meet obligations to bondholders	• Bond ratings	• Continued positive bond ratings	• Bond ratings AA (low) and A+	• Maintain baseline	• Maintain baseline	

Crown Corporation

Business Plans

Province of Nova Scotia

In*NOVA*corp

Business Plan 2002–03

Contents

Mission 35
Planning Context 35
Performance 2001–02 36
Strategic Goals 37
Core Business Areas 38
Priorities 39
Budget Context 40
Outcomes and Outcome Measures 41

Mission

To provide resources that enable technology-based Nova Scotia firms to compete successfully for business anywhere in the world.

Vision

In*NOVA*corp is a leader in creating value through technology commercialization.

Corporate Values

We believe in

Customer Focus—Our customers are our number one priority.

Communication—Foster open, honest and two-way exchange of information and ideas.

Teamwork—Develop the spirit of co-operation among us and with our partners.

Recognition—Appreciate each other's commitment, enthusiasm, and achievement.

Integrity—We earn the respect and trust of each other and our customers.

Personal Development—Our people are our greatest asset.

Accountability—We uphold our values and take responsibility for our choice and actions.

Planning Context

The creation of In*NOVA*corp involved bringing together the following six technology entities and activities: the Nova Scotia Research Foundation Corporation, the Technology Innovation Centre, the Technology Advisory Secretariat, the Council of Applied Science and Technology, the Advanced Materials Engineering Centre, and the technology role of Economic Renewal, including the administration of the Technology Development Agreement. The amalgamation of these activities created an organization with a vast breadth of product and service offerings but with significant challenges in terms of depth in any given area.

Over the past six years, In*NOVA*corp has evolved to become a technology commercialization company with well-defined product offerings in the areas of investment, incubation, and mentoring. The organization has significantly reduced staffing levels during that time frame; this was accomplished primarily through spin-off to the private sector rather than ceasing operations. As a result, the activities spun off now employ significantly more people than they did while they were part of In*NOVA*corp.

InNOVAcorp has played a significant catalytic role in sector growth especially through the Life Sciences Industry Partnership and the hosting of Softworld. The role of sector development has now been transferred from InNOVAcorp to various sector development organizations in Nova Scotia, a strategy that highlights InNOVAcorp's success as a catalyst. Now the corporation is focusing all of its efforts on technology commercialization.

InNOVAcorp has a list of clients that it has helped in their path to commercialization. From Wyeth-Lederle to Chitogenics to Packetware to VMR, each company has its own unique value proposition, is working through its own challenges, and is working with InNOVAcorp to bridge operational challenges.

InNOVAcorp's strategy is market driven. By defining and delivering services that satisfy a market need, InNOVAcorp is optimizing its contribution to the economic growth of Nova Scotia and will generate the necessary revenue to become self-sustaining.

Performance 2001–02

Management has made substantive progress on its 2001–02 goals and financial targets. The corporation is an active venture capitalist, investing and managing $15 million of venture capital funds; leads the innovation and commercialization function of the public sector through its operation of two technology incubators, currently hosting over 50 early stage technology companies; provides a mentoring and relationship management network to growing entrepreneurs; and is a respected partner in a growing number of strategic areas such as life sciences and information technology.

- InNOVAcorp continues to be an active venture capital fund in the province. This year its efforts have been directed toward growing its existing portfolio. The following investments have been completed in:
  - a company focused on a range of applications for hand-held global positioning devices
  - an information technology company selling software solutions into the emergency healthcare market.
- We have made a total of 19 new investments from the Nova Scotia First Fund, for a total of $7.7 million since assuming the role of fund manager in 1996.
- During the current fiscal year we have repatriated $165,000 of a $550,000 investment from one of our portfolio companies, in repayment of shareholder loans.

- We have incubated over 50 resident companies and affiliates at our three sites in Dartmouth and Halifax and have graduated 6 companies in the last 12 months.
- We successfully spun out our wholly owned subsidiary company, Nova Magnetics Limited, to a private-sector company.
- We entered into an agreement with NRC—Centre for Surface Transportation Technology to lease, with an option to purchase, our Environmental Simulation Laboratory.
- We successfully managed the $1.6-million ACOA and Province of Nova Scotia Life Sciences Industry Partnership to develop business opportunities related to biotechnology, medical devices, and telemedicine.
- We co-sponsored and published the Nova Scotia Life Science Report Card 2000 baseline study.
- We assisted biotech, medical devices and health related information technology companies to attract over $43 million in new capital investments and create 175 high-value jobs.
- We successfully participated in the establishment of Genome Atlantic and the Brain Repair Centre and are a founding member of the Life Science Development Association (LSDA).
- We realigned our business structure and functions to support the current business model and the reduction in our annual operating grant.
- We provided technical, market, and competitive information to over 1,500 client inquiries.
- We assisted over 40 companies with product development and environmental simulation testing.
- We developed a marketing strategy that brands the InNOVAcorp name.

Strategic Goals

At In*NOVA*corp, we believe that focusing on the following four goals will help us succeed.

- Become financially self-sufficient.
- Increase contributions to the economic development of Nova Scotia by helping technology-based businesses succeed.
- Establish an environment where business leaders have the option to stay and commercialize their products and services in Nova Scotia.
- Become the leaders in technology commercialization.

Core Business Areas

Technology commercialization has been In*NOVA*corp's core business since it began over six years ago. In*NOVA*corp focuses on three critical areas of high-performance incubation:

1. business incubation
2. investment
3. mentoring and strategic information

These three areas best utilize InNOVAcorp's competencies and experience. By creating resources in each of these areas and coordinating the activities for maximum benefit, In*NOVA*corp is creating significant value for Nova Scotia technology business leaders. These business leaders have access to a number of critical tools needed to successfully bring their ideas to market and have a greater opportunity to market these ideas from Nova Scotia. This has a significant positive impact on the economy of our province and will foster even greater opportunities in the future.

1. Business Incubation

In*NOVA*corp offers business incubation services and facilities to emerging companies, allowing them to reach maturity more quickly and more successfully than would otherwise be possible. Without assistance, only 25 per cent of new businesses make it past their fifth year. With our programs, 85 per cent of companies live beyond those critical years. More than 84 per cent of our clients remain operating in the province after graduating from our programs, increasing the positive economic impact on the region.

In*NOVA*corp manages two active centres: the Technology Innovation Centre in Dartmouth and the BioScience Enterprise Centre in Halifax. We are also supportive of two other centres, AgriTECH Park Incorporated in Truro and the Technology Enterprise Centre in Cape Breton.

2. Investment

In*NOVA*corp currently manages the Nova Scotia First Fund, which supports promising entrepreneurs from start-up through to first-stage expansion. Investments are made in the range of $200,000 to $500,000. The fund is leveraged through alliances with other organizations and VC companies. The criteria used to make investment decisions are as follows:

- complete, unique and innovative technology
- operational base in Nova Scotia
- Nova Scotia or Canadian incorporation
- commercially viable product
- financial potential

There are over 20 companies currently in the First Fund portfolio.

3. Mentoring and Strategic Information

In*NOVA*corp operates a two-tier informal mentoring system

- Generic business and technical advice is provided one-on-one to entrepreneurs through our staff and partnership arrangements with other organizations, such as NRC's Industrial Research Assistance Program (IRAP) and Canadian Technology Network(CTN). This includes business counselling and business planning support, as well as access to an extensive network of affiliates and business contacts, database sources to identify industry trends, scientific breakthroughs, competitive analysis, technical data, and trademark and patent information, customized to specific needs.
- Peer-to-peer networking is provided through our business incubation services and facilities.

In*NOVA*corp is expanding this offering, through an innovative on-line mentoring platform, to deliver management support to SMEs through business guidance, mentoring assistance and market access.

Priorities

During this plan period In*NOVA*corp's key priorities are to

- Align mentoring, investment, and incubation strategy.
- Expand and integrate incubation capabilities.
- Implement a province-wide mentoring network to enhance its commercialization products and services.
- Work aggressively, with private-sector partners, to identify and access sources of seed and early-stage funding.

Budget Context

	2001–02 ($)	2002–03 ($)
Revenues		
NS funding	2,219,000	2,194,900
NS funding recognized (deferred) re capital assets acquired	123,882	32,733
Mentoring	1,220,265	2,949,433
Incubation	389,243	851,032
Investment	131,384	153,753
Non-core operations	649,210	600,000
Total Revenues	**4,732,984**	**6,781,851**
Expenses		
Mentoring	2,259,320	3,688,345
Incubation	465,882	1,235,829
Investment	917,926	281,238
Non-core operations	520,870	500,000
Corporate services	1,639,341	1,149,649
Total Expenses	**5,803,339**	**6,855,061**
EBITDA	**(1,070,355)**	**(73,210)**
Non-Operating Items		
Amortization	(375,939)	(347,948)
Discontinued operations	231,092	—
Interest expense	130,088	(7,700)
	(14,759)	(355,648)
Net Income	**(1,085,114)**	**(428,858)**

Outcomes and Outcome Measures

[redacted] *Technology Commercialization*

Outcome	Indicator	Measure	Base Year Measure	Target 2004-05	Strategies to Achieve Target
• Accelerated innovation and commercialization	• Shareholder value	• Capital appreciation	• Current valuation: $14.3 million	• Annual return on investment of greater than 10%	• Align mentoring, investment and incubation activities • Expand incubation services • Launch a province wide mentoring system • Partner to lever seed and equity resources

Crown Corporation

Business Plans

Province of Nova Scotia

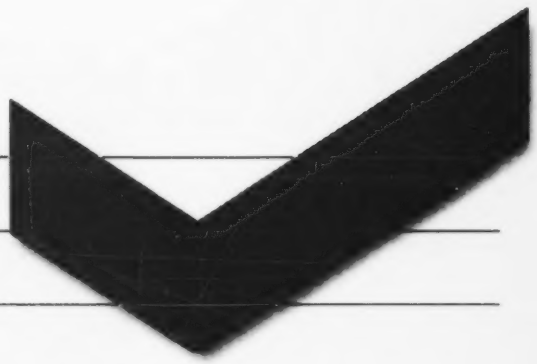
Nova Scotia Arts Council

Changes in the delivery of government investment in Nova Scotia's culture sector will result in the winding-down of activities of the Nova Scotia Arts Council. A new investment model will be established. Consequently, a business plan for the Nova Scotia Arts Council is not being published for the 2002–03 fiscal year.

Crown Corporation

Business Plans

Province of Nova Scotia



Nova Scotia Business Incorporated

Business Plan 2002–03

Contents

Mission 47
Planning Context 47
Strategic Goals 48
Core Business Areas 48
Priorities 49
Priorities by Core Business Area 51
Budget Context 52
Outcomes and Outcome Measures 55

Mission

To improve the competitiveness and rate of growth of new and existing Nova Scotia businesses by capitalizing on the competitive advantages in all sectors of our economy.

Planning Context

Nova Scotia Business Inc.'s business plan for fiscal 2002–03 represents the first such document for the new Crown corporation. The business plan has been developed within the context of NSBI's five-year strategic plan. The concept of the private-sector–led organization was introduced in the fall of 2000 with the release of the province's economic growth strategy, Opportunities for Prosperity, and the subsequent passage of the Nova Scotia Business Incorporated Act on November 8, 2000. In April 2001, the province appointed a Board of Directors comprising business leaders from various sectors and regions. Finally, the regulations providing NSBI with its operating powers were passed in November 2001.

The creation of a new organization to carry out the province's front-line business development functions necessitated a significant restructuring of the Nova Scotia Department of Economic Development. Issues relating to staffing, transfer of responsibilities, and regulatory changes were among many that had to be addressed. For the most part, these issues had been resolved prior to preparation of this business plan. In early November 2001, Executive Council approved regulations governing the financial assistance that Nova Scotia Business Inc. can provide to its clients—a move that signalled the final go-ahead for the corporation.

Nova Scotia Business Inc. positions itself as a fresh approach to improving the economic opportunities available to all Nova Scotians. The role of business development that the organization assumes has become increasingly important in the past decade with the rapid expansion of technologies and the global marketplace. Recent world events, and their repercussions closer to home, do not minimize the importance of our role. Indeed, recognizing the slowing economy and the province's fiscal challenges, our work to strengthen businesses and assist their growth in Nova Scotia takes on greater relevance during these uncertain times.

Strategic Goal

Nova Scotia Business Inc.'s primary goal is to expand business activity in Nova Scotia so that such activity leads to sustainable, value-added growth of the economy. Achieving this goal will result in greater employment for Nova Scotians and increased revenues for the Province of Nova Scotia.

The corporation's goal is consistent with, and supports, several of the government's overall goals, including creating the conditions for economic growth and fostering an environment that allows and encourages Nova Scotians to work, raise families, and stay in Nova Scotia.

Further, in order to achieve this goal, Nova Scotia Business Inc. will attract the resources required to be proactive in business development.

Core Business Areas

1. Business Attraction

Activities in this area are aimed at attracting new businesses into the province and assisting existing companies in expansion, thereby improving their competitiveness and productivity. Efforts are focused on sectors consistent with Nova Scotia's competitive advantages and complementary to existing industry. Specific sectors targeted are those identified as growth opportunities in the province's economic strategy: information technology, life science, advanced manufacturing, energy, and learning industries.

New business investment, particularly by firms focused on export markets, leads to increased employment opportunities. Such investment is critical if the economy is to grow.

2. Business Retention and Expansion

Staff assigned to six offices outside Halifax work directly with businesses though an aggressive visitation program. Activities are focused on assisting businesses in identifying opportunities while working to remove barriers to expansion. Business retention and expansion account executives are the main access point for businesses to NSBI programs and services, including trade promotion and business finance. They also help companies tap into the resources of other business development organizations.

Studies show that up to 80 per cent of new jobs derive from existing businesses. A face-to-face approach such as the business retention and expansion program allows for more effectiveness and timeliness in helping companies to improve their competitiveness and rate of growth.

3. Trade and Export Development

Trade development activities focus on market entry for small and medium-sized businesses, with an emphasis on new exporters. Activities include assessing company needs and identifying appropriate markets for their products and services. Staff also provide training and promotion support for exporting companies.

Selling more goods and services outside the province allows Nova Scotians to bring more money in, resulting in an expansion of our economy and the creation of more business and career opportunities within the province.

4. Business Finance

Activities are focused on providing financial products and services to attract inward investment and to help Nova Scotian companies expand. Financial tools include loans, loan guarantees, payroll rebates, and equity financing. Efforts include identifying effective financing options and responding more quickly to the demands of the market.

Capital is the fuel that powers business growth and competitiveness. Nova Scotia Business Inc. assists in this area by providing financing and investment options to companies looking to expand their activities in Nova Scotia, thereby helping to grow the economy. Partnering with local sources of financing will enable NSBI to play an important role in expanding the pool of available capital for fast-growing companies in its strategic sectors.

Priorities

Corporate Priorities

The overall priority of Nova Scotia Business Inc. is to grow the provincial economy. The following corporate priorities are fundamental to the long-term success of the organization and, by extension, to each of its core business areas.

Proactive corporate culture

Achieving our goal requires a knowledgeable, dedicated team equipped with the resources and support necessary to do the job. It also requires the shaping of a "can-do" corporate culture that applauds high performance. Building a solid organizational framework, a necessity for any new venture, has implications for how well we are able to meet our other, more externally focused priorities. This proactive approach has a positive spin-off implication for the province as a whole, as NSBI staff's confidence and energy set the tone and direction for doing business in Nova Scotia.

Focus on growth

Our business development efforts will concentrate on the five sectors identified in the province's economic strategy as growth opportunities: information technology, life science, advanced manufacturing, energy, and learning industries. The foundation industries of agriculture, tourism, culture, and those linked to our ocean and land resources will also receive attention. Such focus, shared by the Office of Economic Development and other provincial departments, improves the chances of Nova Scotians finding success in these sectors.

Strong accountability framework

A requisite of our work is ensuring a high level of public accountability through sound business principles and stringent internal controls. The business expertise of our board of directors will provide support as we introduce private-sector corporate governance practices. Each business unit will operate under a focused mandate, and clear outcome measures will be developed and implemented to effectively benchmark progress.

Excellence in client relations

Building strong relationships with our business clients, both in Nova Scotia and outside, is critical to our work to expand business activity in the province. Good client relations will allow quicker, more appropriate response to the needs of businesses. This requires a broadening of our understanding of the obstacles and opportunities they face and the environment in which they function. Activities in support of this priority include development of an e-business strategy and an integrated customer relationship management system.

Strategic partnerships

Creating partnerships will be an essential component of our business development approach. As well, a seamless transfer of business-related activities from Nova Scotia Economic Development and smooth working relationships with department staff will contribute to our common objective of strengthening the economy.

Priorities by Core Business Area

In addition to the corporate priorities, each core business area has identified a priority that more directly contributes to its expected results.

1. Business attraction

Proactive business attraction strategy

Staff in the investment attraction section will work toward developing an investment strategy that focuses on identifying opportunities and securing the best return for the province, both human and financial. Targeted sectors will include the five identified as growth opportunities by the province's economic strategy.

2. Business retention and expansion

Proactive client-visitation program

At the heart of the aggressive business retention and expansion effort is a client-visitation program. Implementation of such a program will be a priority for this division. Account executives will work to assist businesses throughout Nova Scotia in identifying opportunities for business development and expansion.

3. Trade and export development

Comprehensive trade plan

Analyses will be undertaken to identify the needs of Nova Scotian companies and the best market opportunities for their products and services. These analyses will help shape a comprehensive plan that will provide more focus and direction to our trade activities.

4. Business finance

Innovative financing solutions

Identifying appropriate solutions for companies' financial needs—particularly in identified strategic sectors—is central to providing effective, timely response to the demands of the market. This is a critical element in improving service to business clients.

Nova Scotia Business Inc.'s five overall priorities and four core business–specific priorities represent the major initiatives vital to success in the fiscal year. They are in line with the government's priorities for 2002–03, most specifically, to grow the economy and, as a result, contribute to the province's fiscal stability.

Budget Context

Estimated Budget Expenditures by Core Business

Core Business	2001–02 Forecast ($) Note 1	2002–03 Budget ($)
1. Business Attraction	–	2,441,000
2. Business Retention and Expansion	–	1,378,000
3. Business Finance	–	1,742,000
4. Corporate Services	–	867,000
5. HST (Note 2)	–	172,000
Total—Current (Note 3)	4,700,000	6,600,000
Funds for Strategic Investments	16,940,000	16,500,000
Loan Valuation Allowance	1,500,000	2,500,000
Total Operating Funds Required	**23,140,000**	**25,600,000**

Note 1: Allocation of expenditure total is not possible due to inaccuracies in comparative data.

Note 2: It is estimated that NSBI's HST status will be such that only a 50 per cent refund will be available on ITC's for non-payroll related expenditures.

Note 3: Had NSBI employed a full complement of staff throughout 2001–02, as was contemplated by the 2001–02 budget, total operating expenditures would have been $5.6 million.

Version 1:
Extrapolation of 5-Year Authorizations by Sector
(without large loan)

Estimate according to strategic growth sectors*

	5-year total	Average %
Foundation industries	$36,674,369	24%
Information technology	$10,722,695	57%
Life sciences	$7,465,802	25%
Advanced manufacturing	$91,012,925	58%
Energy	$5,400,000	3%
Learning	0	0
Other	$5,368,000	3%
Total	**$154,643,791**	**100%**

***Assumptions**

1. Foundation industries include ocean, land, agriculture, tourism, and culture. Therefore, the following were grouped into this category for preliminary analysis:
   - environmental
   - entertainment
   - other
   - tourism
2. Advanced manufacturing consists of metal fabrication, other manufacturing, and the wood, plastics, textiles categories.
3. Offshore was categorized as energy.
4. Pharmaceutical was categorized as life sciences.
5. The extraordinary $38-million loan was excluded from the analysis.

Version 2: Extrapolation of Authorizations by Sector (including large loan):

Estimate according to strategic growth sectors*

	5-year total	Average %
Foundation industries	$54,674,369	28.4%
Information technology	$10,722,695	5.6%
Life sciences	$7,465,802	3.9%
Advanced manufacturing	$109,012,925	56.5%
Energy	$5,400,000	2.8%
Learning	0	0
Other	$5,368,000	2.8%
Total	**$192,643,791**	**100%**

***Assumptions**

1. Foundation industries include ocean, land, agriculture, tourism, and culture. Therefore, the following were grouped into this category for preliminary analysis:
   - environmental
   - entertainment
   - 1/2 food processing
   - other
   - tourism
2. Advanced manufacturing consists of 1/2 food processing; metal fabrication; other manufacturing; and the wood, plastics, textiles categories.
3. Offshore was categorized as energy.
4. Pharmaceutical was categorized as life sciences.

Outcomes and Outcome Measures

Fiscal 2002–03 represents the first full operational year for Nova Scotia Business Inc. As such, base year measures are not available and targets for 2002–03 based on these measures are being developed. Further, NSBI regulations require the establishment and approval of specific parameters for the Business Finance unit, which are also under development.

[redacted]

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002-03	Strategies to Achieve Target
• Increased accountability	• Accountability structure	• Audit results	• N/A	• TBD	• Develop clear policies and procedures related to operations, administration, risk assessment, and economic benefit • Develop balanced scorecard tool
• Improved client relations	• Client satisfaction level	• Survey results	• N/A	• TBD	• Conduct client surveys to assess needs • Establish a benchmark for performance
• Proactive corporate culture	• Employee participation and positive morale	• Staff retention and productivity	• N/A	• TBD	• Establish an employee development team and a comprehensive HR plan • Develop a performance-management system • Build internal communications network

[redacted] *Business Attraction*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002-03	Strategies to Achieve Target
• Expansion of business activity	• Net new investment	• Incremental growth in jobs and wages	• N/A	• TBD	Develop a proactive investment strategy that includes • identifying and aggressively pursuing enterprises that can act as anchor companies for rapid growth, spinoff activity, and sustained employment • promoting the use of targetnovascotia.com as invaluable resource for site selectors
		• Incremental increase in tax revenues	• N/A	• TBD	

[redacted] *Business Retention and Expansion*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002-03	Strategies to Achieve Target
• Expansion of business activity	• Net new investment	• Incremental growth in jobs and wages	• N/A	• TBD	• Launch an aggressive program focused on increasing our knowledge of NS businesses, including the opportunities and obstacles they face • Pilot development of an integrated customer relations management (CRM) system
		• Incremental increase in tax revenues	• N/A	• TBD	

[redacted] *Trade and Export Development*

Outcome	Indicator	Measure	Base Year Measure 2001-02	Target 2002-03	Strategies to Achieve Target
• Expansion of business activity	• Net new investment • Export activity	• Incremental growth in jobs and wages	• N/A	• TBD	• Develop comprehensive trade plan • Identify key target markets and pursue in focused manner
		• Incremental increase in tax revenues	• N/A	• TBD	

[redacted] *Business Finance*

Outcome	Indicator	Measure	Base Year Measure 2001-02	Target 2002-03	Strategies to Achieve Target
• Expansion of business activity	• Net new investment	• Incremental growth in jobs and wages	• N/A	• TBD	• Identify appropriate solutions to companies' financial needs and provide in a timely manner
		• Incremental increase in tax revenues	• N/A	• TBD	

Investment Framework

Regulations Requirements	Existing Guidelines (estimated 5-year historical)	Guidelines – 2002–03	Rationale
Annual portfolio lending cap	Average: $30.8 million* versus $38.5 million * not including one $38 million loan	$50 million	Includes anticipated repayments of approximately $16 million and $30 million net new $ from Nova Scotia Fund
Annual sector lending limits[1]			
Foundation	24%*	18%	Percentage maintained in order to provide continuing support to foundation industry companies in ocean resources and land resources, agriculture, and tourism and culture-related businesses.
Knowledge-based industries	12%	20%	Includes life sciences, e-learning, and information technology, which make up knowledge-based industries according to Standard Industrial Classification codes Increased annual limits reflect increased emphasis on these sectors reflected in Opportunities for Prosperity and Investment Framework
Advanced Manufacturing	58%*	48%	Percentage reduced slightly in order to accommodate potential growth in other sectors; advanced manufacturing identified as a strategic sector in Opportunities for Prosperity and Investment Framework
Energy	3%	9%	Increased percentage reflects renewed emphasis on sector reflected in Opportunities for Prosperity and Investment Framework.
Other	3%	5%	Percentage reflects potential activity that may not fit into other categories.

1 Annual sector limits may be adjusted at the discretion of the board as circumstances warrant.

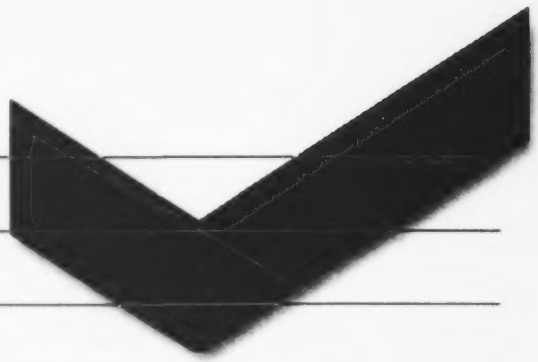
Regulations Requirements	Existing Guidelines (estimated 5-year historical)	Guidelines – 2002–03	Rationale
Individual loan/loan guarantee limits	(No limit)	$15 million maximum dollar value to any one applicant	Sets a realistic cap on the amount of exposure to any one client and any affiliates with sufficient flexibility to provide support to larger companies as appropriate (Over last 5 years, only 12 loans [6%] were over $3 million and only 2 were over $15 million.)
Maximum annual percentage of the total amount of the Nova Scotia fund for equity investments and working capital loans.[2]	Less than 10%	25%	Reflects the increased focus on knowledge-based industries that do not have asset-based security and for which traditional term debt is not appropriate.
Interest rate policy	Quarterly fixed rate based on government cost of 20-year funds (6.5%) regardless of loan amortization period.	Match lending rates to government cost of funds—i.e,. 5-year (5%), 10-year (6%), and 20- year (6.5%) Calculate total interest rate based on government cost of funds plus a variance up to 1.5% to reflect NSBI cost plus a risk premium *if deemed appropriate*	Provides better matching of funds to the amortization term. Interest rates will be more in line with practices of other financial institutions, while respecting government's cost of funds. Policy also ensures that a risk variance can be added particularly for higher-risk situations
Policies and guidelines governing payroll rebate program and any other program of assistance funded through strategic investment funds		Existing guidelines still apply: payroll rebate based on credit worthiness of applicant and economic impact; rebate = 5% to10% of gross incremental payroll	Guidelines outlined in Strategic Investment Framework still deemed appropriate; continued refinement of procedures and process required

2 Subject to appropriate consultation with the Minister of Finance.

Crown Corporation

Business Plans

Province of Nova Scotia



Nova Scotia Crop and Livestock Insurance Commission

Business Plan 2002–03

Contents

Introduction 63
Mission 63
Planning Context 64
Strategic Goals 65
Core Business Areas 65
Priorities 65
Technological Resources 66
Budget Context 66
Outcomes and Outcome Measures 68

Introduction

The Nova Scotia Crop Insurance Commission was established in 1968 to provide Nova Scotian farmers with the opportunity to manage the risk of production failure. The Nova Scotia Crop Insurance Act was amended in 1978 to provide for the administration of the Livestock Insurance Program and is now cited as the Crop and Livestock Insurance Act.

Agricultural Services

As a service offered through its Agricultural Services Branch, crop insurance programs are an integral part of the Risk Management Policy of the Department of Agriculture and Fisheries. Funded as a component of the federal safety net envelope, crop insurance, along with the Net Income Stabilization Program and an array of companion programs, is cost-shared by the farmer participants and the two levels of government. Crop insurance premiums are shared 50 per cent, 25 per cent, 25 per cent between the farmer and the two governments respectively, while the administrative costs are shared equally by Canada and the province.

The Crop and Livestock Insurance Commission is working towards development of a suite of risk management tools with which Nova Scotia's agri-food industry will limit negative financial impact at the farm business level.

Mission

To contribute to a healthy and stable agricultural business climate thus improving the standard of living in Nova Scotia's rural communities.

It pursues this mission by providing crop and livestock insurance programs that limit the negative impact of reduced crop yields or production animal losses resulting from insurable perils.

Planning Context

Nova Scotia's land-based natural resources, including agriculture, forests, minerals, and wildlife, have been the foundation of the economy for generations. These sectors provide about 10,000 direct, well-paying jobs and $1.5 billion in annual sales, and they account for about one-third of the province's exports. Resource-based industries and businesses will continue to provide considerable economic value, especially in rural areas. Major challenges facing these sectors are the need to manage resources to ensure sustainability and to meet increasingly stringent environmental standards in export markets.

Agriculture is a solid foundation of the province's rural economy, where it is a major employer. It is increasingly a highly diversified science- and technology-based industry. The value of processed and unprocessed products is almost $1 billion a year; annual exports to 75 countries now total some $126 million. The sector faces many issues, including those in the areas of land use, water quality and quantity, lending and investment, and education and training to keep abreast of a knowledge-intensive global business. Opportunities in agriculture are many: stronger links to the life sciences sector and tourism, the growing market for organic and natural foods, further participation in the development of environmental technologies, and increasing exports.

The most dramatic influence on agricultural production is nature itself. Our climatic conditions in Nova Scotia have always been challenging, and evidence indicates that our climate is changing. Hotter, drier summers increase the stress level on plants, resulting in greater variability in crop yields. Mild winters with more frequent cold spells increase the incidence of respiratory diseases in cattle. The ease and speed with which goods and people travel around the world and the recent outbreaks of foot and mouth disease in Europe present a serious threat to our livestock industries. The Crop and Livestock Commission plays a vital role in offering insurance products that allow farm operators the opportunity to implement effective risk management strategies in dealing with these business threats.

The department's five strategic goals dovetail with the four corporate goals of the provincial government, those being

1. Create conditions that help the economy grow.
2. Provide Nova Scotians with an opportunity to learn throughout their lives so that they can continue to succeed in a rapidly changing world.
3. Foster an environment that allows and encourages Nova Scotians to work, raise families, and stay in Nova Scotia.
4. Provide responsible, accountable government.

Strategic Goals

- Sustainable and environmentally responsible development of Nova Scotia's agriculture and fishing industries.
- A competitive business climate that encourages economic growth and increases jobs in Nova Scotia's rural and coastal communities.
- Orderly development of agriculture, aquaculture, and fisheries through a regulatory regime that supports business and sector growth/enhancement/development and that ensures consumer confidence and food safety.
- A globally competitive Nova Scotian work force through education, training, research, and community services.
- Public services that meet industry needs and are accountable for results achieved.

Core Business Area

1. Delivery of Insurance Products

The core business of the Crop and Livestock Insurance Commission is the delivery of insurance products for production agriculture. Its business is conducted pursuant to federal and provincial regulations and in accordance with the Canada–Nova Scotia Crop Insurance Agreement.

Priorities

In support of the department's goal of a competitive business climate that encourages economic growth and increases jobs in Nova Scotia's rural and coastal communities, the commission will pursue the following:

- Expansion of insurance coverage options to 85 per cent of the long-term average production for all possible crops as governed by the Canada–Nova Scotia Crop Insurance Agreement.
- Development of a weather derivative product that will allow more flexibility in valuing underlying assets and in dealing directly with the weather events that cause crop losses.
- Replacement of the commission's customized underwriting and accounting software, which will enable the commission to provide timely, up-to-date information to stakeholders, including farm business mangers and provincial and federal governments.

Pursuant to the department's goal of orderly development of agriculture, aquaculture, and fisheries through a

regulatory regime that supports business and sector growth/enhancement/development and that ensures consumer confidence and food safety, the commission will

- Continue to pursue a streamlined regulatory process so that it is more timely and responsive to client needs. This includes rewriting 15 regulations accompanying the Crop and Livestock Insurance Act and preparing to amend the act itself to allow the commission to deliver its products in a manner consistent with insurance industry standards.

Technological Resources

Limited functionality and an antiquated programming platform in our current information management system are a major obstacle to service delivery. The commission has completed a search for off-the-shelf replacements without success and is investigating the options of acquiring a custom-designed system or having its information management needs provided by a third party. The commission will proceed with either a request for proposals for a custom-built application or a service contract in 2002–03.

Budget Context

The commission budget is included in the budget estimates of the Department of Agriculture and Fisheries. The Crop Insurance Agreement with AAFC provides for reimbursement of one-half of the administrative costs relative to crop insurance. Administrative costs for other programs administered by the commission are not eligible for this cost-sharing. Premiums paid by producers and the federal government are not included in the budget values provided.

Estimated Budget Expenditures

	2000–01 Actual ($,000)	2001–02 Forecast ($,000)	Budget 2002–03 ($,000)
Core Business			
Insurance Premiums	155	161	175
Administration and Support[1]	600	630	715
Total—Gross Current	755	791	890
Total—Program Expenses			
Net of Recoveries	455	476	540
Salaries and benefits[2]	400	442	451
Funded staff (FTEs)	9.4	9.4	9.4

1 2002–03 Includes $60,000 for work on replacing the information management system and $30,000 for an actuarial review of yield methodologies.

2 2002–03 assumes 2001–02 salaries plus 2 per cent.

Outcomes and Outcome Measures

[redacted] *Delivery of insurance products*

Outcome	Indicator	Measure	Base Year Measure 2000–01	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Stable farm businesses	• Use of risk management tools	• Number of farms using crop insurance	• 500	• 560	• 580	• Improve program effectiveness through higher unit prices and increased coverage options
	• Value of insurance coverage written	• $ value of coverage	• 14.1 million	• 14.5 million	• 15.0 million	• Higher unit prices and coverage options
	• Levels of insurance coverage purchased	• Aggregate coverage level for program	• 76	• 78%	• 79%	• Increase maximum allowable coverage to 85%
	• Number of options available to manage weather-related risks	• Number of insurance products available	• 12	• 14	• 15	• Introduce a weather derivative product with greater flexibility in assessing the value of underlying crop assets
	• Speed of development for new programs	• Months elapsed from commission approval to program implementation	• 12–18	• 8	• 4	• Replace information management software to allow in-house program modification • Work with Regulation and Compliance Branch and the Department of Justice to speed up the review of regulations and to amend the Crop and Livestock Insurance Act to allow the commission to deliver its products in a timely manner

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Farm Loan Board

Business Plan 2002–03

Contents

Introduction 71
Mission 72
Planning Context 72
Strategic Goals 73
Core Business Areas 73
Priorities 74
Budget Context 77
Outcomes and Outcome Measures 79

Introduction

Active for more than 70 years, the Nova Scotia Farm Loan Board is an agricultural development agency supporting agricultural and rural business development through the provision of long-term loans at fixed interest rates and through financial counselling services. A corporation of the Crown, the board is an integral part of the Nova Scotia Department of Agriculture and Fisheries and also operates as the Timber Loan Board.

Five board members with successful careers in agriculture and business govern policies, receive reports on operations and clients, and provide strategic direction for the board. Day-to-day loan approvals and operations are delegated to staff.

Availability of credit with stable long-term rates and understanding of the agricultural industry, including cyclical swings in profitability, are considered to be strengths of the board in encouraging development of this industry.

Operations and interest rates are managed so as to cover all direct costs of operation and provide a modest net income, which offsets indirect costs of services provided by government to the board and provides resources for maintenance of systems operations.

At last year-end, the board's net farm loan portfolio totalled $159 million in 1200 loans. This represents approximately 38 per cent of the debt capital of Nova Scotia farmers. Timber loans provided to forest mills to ensure a sustainable wood supply totalled $1.7 million with 19 accounts.

Primary stakeholders in board operations include individual borrowers and potential borrowers and the province, in particular the Departments of Agriculture and Fisheries, Natural Resources, and Finance. Other important stakeholders include the Nova Scotia Federation of Agriculture and the various commodity groups, the Department of Economic Development, commercial lenders, equipment and feed suppliers, and the wholesale and retail sectors for products produced in Nova Scotia.

The board operates as a corporation of the Crown under the authority of the Agriculture and Rural Credit Act (*Revised Statutes of Nova Scotia* 1989, Chapter 7). This act emphasizes rural development and the effective use of credit to develop rural Nova Scotia.

The Timber Loan Board's authority is from regulations made pursuant to the Forest Act (*Revised Statutes of Nova Scotia*, 1989, Chapter 179, Section 20). This act provides for credit to acquire forested land for forest product mills.

Mission

To promote, encourage, and support the development of agricultural businesses in Nova Scotia.

Planning Context

The agricultural industry continues to be challenged by climatic conditions. These conditions have resulted in water shortages, which have varying effects, depending on the sector and the region. The expectation that similar conditions will be experienced in the future will be an influential factor in planning program needs and forecasting agricultural lending requirements.

The recent economic downturn is expected to have a weak effect on agriculture. However, producers of products considered "luxuries" will find markets reduced and may experience difficulties in the short term.

Interest rates have been declining steadily for some time, and the Bank of Canada rate is now at a 40-year low. This presents an opportunity for those requiring long-term financing, and will likely result in acceleration of capital investment and the trend towards greater reliance on technology.

Technology is providing for increased mechanization and automation and is being felt in a wide range of applications. This trend is supporting a broader trend toward consolidation of agricultural operations into larger units in attempts to gain efficiency through economies of scale. Larger operations present greater difficulties in providing for intergenerational transfer of family businesses, which must be addressed.

The provincial budgetary situation requires that the goals of each government entity be met in a cost-effective manner. The board will seek to further these requirements by presenting a positive net income on lending operations.

The goals of the Department of Agriculture and Fisheries are:

- The sustainable and environmentally responsible development of agriculture, aquaculture, and the fishery industries.
- A competitive business climate to support economic growth and increase jobs in Nova Scotia's rural and coastal communities.
- The orderly development of agriculture, aquaculture, and fisheries through a regulatory regime that ensures consumer confidence and food safety.
- A globally competitive Nova Scotian work force through education, training, research, and community service.

- Government services that meet industry needs and are accountable for results achieved.

Strategic Goals

The Farm Loan Board directly contributes to achievement of departmental goals in its own goals:

- Ensure industry access to stable, cost-effective, long-term developmental credit.

  To create conditions that help the rural economy grow, support sustainable and environmentally responsible development of agricultural industries, and support development of a competitive business climate to support economic growth and increase jobs in rural communities.

- Assist in identification and analysis of growth opportunities for rural industries by promoting the use of financially sound business principles.

  To meet industry needs directly with professional public service and through training and counselling.

- Demonstrate sound financial administration, efficiency, responsibility in administration of public funds, and accountability in the board's own operations.

  Generate a positive net income as reported in published audited financial statements. Administer programs within guidelines and budgets.

Core Business Areas

1. Lending

Providing long-term credit for development of agricultural and timber businesses is the core business area of the Farm Loan Board. This includes loan service development, client service and administration, and efficient and responsible financial management, and also includes the distinct but closely integrated area of financial counselling.

The financial counselling function is provided by loan officers in conjunction with client and potential client visits and includes financial counselling and/or project assessments of rural operations in order to assist in sourcing the best available credit, as well as promoting and participating in industry seminars and workshops.

By providing a reliable source of long-term credit the board directly provides for development and growth of the agricultural and timber industries and indirectly influences credit availability at reasonable rates through influence on, and

partnership with, other participants in the lending industry.

2. Programs Administration

Programs administration involves the development and implementation of departmental loan-based assistance programs in areas related to the board's financial operations and expertise. The weather-related loss provision and new entrants to agriculture programs exemplify this area of responsibility.

Priorities

1. Lending

- Provide $28–30 million of new loan capital to the agricultural and timber industries in the 2002–03 fiscal year.

  The focus is on development and long-term stability. Authority for advances was set at $28 million for the 2001–02 year. Projections indicate that this will be fully disbursed at year-end. Commitments for new loans remain strong. Total farm debt required by Nova Scotia farms grew 35 per cent from 1995 to 1999. Given the historical rates of growth in agricultural capital requirements, $30 million of new loans will approximately maintain the board's level of support in proportion to total requirements.

- Continue to counsel clients and assess new proposals by applicants.

  This is provided by loan officers during contact with clients and potential clients.

- Recommend legislation and regulation changes to improve service and efficiency, including amendments to the Timber Loan Board regulations and review of authorized lending limits.

  Requirements for service change as the industries and economic environment change and develop. A need to broaden the focus of the Timber Loan Board's operations beyond sawmill operations has been identified with staff of the Department of Natural Resources.

  Because of growth, consolidation, and increases in capital-intensive production methods, many borrowers now exceed the board's $1-million authority in total borrowing, requiring Governor-in-Council approval. Loans are frequently for construction or purchase of buildings or other production-related assets for which there is a seasonal window of time to get the asset into production for the coming year. As compared to a regular management-approved loan, additional steps at the board to prepare and submit the request, and the Governor-in-Council process itself, may

add 30–60 days to the loan approval process. Reduction in the number of these requests for routine lending situations through an increase in authorized lending limits could reduce loan approval time, improve client service, and reduce demands on both the board and Governor in Council.

- Continue to enhance loan approval and administration through staff training and development, the use of new technology, and systems improvements.

  The board recognizes that training and development is an ongoing requirement in order to understand client issues, identify and use best lending and administrative practices, and maintain a professional staff. Organizational practices must be maintained to be as efficient as possible and to provide a level of service comparable with industry standards.

  Loan accounting and lending support systems require renewal. Alternatives have been under review for some time, and recommendations will be prepared for the consideration of the Minister. Costs of alternatives vary significantly. It is anticipated that purchase cost of a complete integrated loan management system would be capitalized and funded through the board's retained earnings held in reserve by the Department of Finance.

- Manage accounts such that write-offs and arrears remain stable in relation to the portfolio size, while maintaining a "patient lender" approach by supporting industries through cyclical downturns.

  This approach includes accurate and appropriate appraisal and evaluation of security arrangements for loans, monitoring arrears, and providing financial counselling, particularly for new clients and clients identified as having financial difficulty.

  Lending will continue to be to viable enterprises and projects that are able to provide acceptable security to support the loan. During financially difficult times, the board is committed to assisting those operations that appear to have a long-term future and a commitment to meet their obligations. This may mean deferral of payments or restructuring of debt along with financial counselling and referral to other relevant services.

- Encourage farmers to utilize sound environmental and business planning practices and procedures.

  These practices must continue to be recognized as criteria for funding proposals and, in general, recommendations to clients, in order to support industry and individual growth and sustainability.

- Ensure that staff are trained to assist individuals experiencing financial difficulty.

  Loan officers are often a primary point of contact with those experiencing financial difficulty and must be able to recognize not only indications of financial problems, but stresses that often accompany them. Loan officers must be able to adequately deal with these contacts at a professional level and offer suggestions for assistance when appropriate.

- Follow up with clients, especially new entrants to agriculture, to assess performance and provide advice or direction to assistance where appropriate.

  Professional staff, knowledgeable about the industry, will follow up to ensure that support is maintained and stronger businesses are developed. Additional options to reduce risk for beginning farmers will be investigated as identified during this process.

2. Program Administration

- Administer a New Entrants Program in concert with the Nova Scotia Department of Agriculture and Fisheries.

  This revised program, now in its second year, provides assistance with loan interest. It is intended to assist new entrants to agriculture and intergenerational transfers to provide long-term stability and renewal of farm ownership.

- Explore flexible loan programs and continue to review the needs and potential for expansion and development of industry sectors in partnership with the Department of Agriculture and Fisheries and the Nova Scotia Federation of Agriculture.

  This will require consultation with industry representatives as well as those of other departments. One potential avenue for support is further development of the New Opportunities Loan Program, now available to beef producers, to meet the needs and opportunities of other agricultural sectors. No additional budget funding would be required for this type of program, as these loans can be managed through the existing process.

- Ensure that technology and systems for new programs complement existing systems and provide for appropriate accountability and reporting.

  Provide for efficient delivery of programs and services by integrating management of compatible services.

Budget Context

Core Business 1: Lending

In keeping with the government's ongoing commitment to achieve a balanced budget, the board in previous regulation reviews has moved to a matched funding loan program that would allow for cost recovery. The board has been tracking the cost and revenues related to interest on loans established after July 1, 1997. The revenue expense projections related to the board have allowed the board to move from net losses to net income of $2,295,000 in 1999–2000. Board forecasts indicate positive returns to the province for the 2002–03 fiscal year.

1999–2000 Actual ($,000)	2000–01 Actual ($,000)	2001–02 Forecast ($,000)	Description	2002–03 Budget ($,000)
12,048	12,486	13,270	Interest	13,680
523	573	70	Insurance operations	250
334	201	320	Fee revenue/recoveries	250
115	—	—	Other	—
13,020	13,260	13,660	Total revenue	14,180
(10,344)	(9,961)	(10,870)	Interest	(11,340)
(773)	(801)	(854)	Salaries and benefits	(900)
(381)	(663)	(972)	Bad debt expense	(900)
(138)	(128)	(135)	Other operating	(150)
(11,636)	(11,553)	(12,831)	Total expenses	(13,290)
1,384	1,707	829	Income before govt. contribution	890
911	929	989	Government contribution	1,050
2,295	**2,636**	**1,818**	Net income	**1,940**

Note: See Year-end Financial Statements for complete financial information and notes.

Excludes the cost of programs administered on behalf of the Department of agriculture and Fisheries not part of lending operations. Interest expense is established under terms of a Memorandum of Understanding arranged with the Department of Finance. Revenues and costs are reported under different cost centres and departments. In addition, after April 2001 the Farm Loan Board cost centre is included with the Industry and Business Development Division for estimate book reporting.

1999–2000 Actual ($,000)	2000–01 Actual ($,000)	2001–02 Forecast ($,000)	Description	2002–03 Budget ($,000)
Capital Funds				
157,754	160,974	171,888	Opening principal	173,000
18,573	24,854	26,000	Add loan advances (excl property accts)	30,000
(13,585)	(13,735)	(24,000)	Less repayments (excl property accts)	(18,000)
(1,240)	(205)	(200)	Other	—
(528)	—	(550)	Less accounts written off	(500)
160,974	171,888	173,138	Closing principal	184,500
Allowance for Doubtful Accounts				
6,594	6,431	6,957	Opening allowance	7,379
(528)	—	(550)	Less accounts written off	(500)
365	526	972	Additions (bad debt expense)	900
6,431	6,957	7,379	Closing allowance	7,779
154,543	164,931	165,759	Net portfolio at year-end	176,721

Core Business 2—Program Administration

10,174	5,161	6,860	Loss Provision Program	—
			Industry Opportunity Fund	4,000
7	706	600	New Entrant Program	600
Total Staff				
19.3	19.3	19.3	Staff—FTEs	19.3

Outcomes and Outcome Measures

[redacted] *Lending*

Outcome	Indicator	Measure	Base Year Measure (Year Stated)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Stable, long-term credit available	• Consistency of level of funding provided by the board in relation to perceived requirements	• New loan advances as % of net loan portfolio	• 2000–01 15.4%	• 2001–02 16.5%	16.5%	• Reasonable long-term interest rates • Training and availability of professional staff to identify industry needs and meet needs for financial counselling and lending assistance • Provide $30 million in new capital support to the industry • Explore additional opportunities and loan products (i.e., New Market Opportunity Loans) • Facilitate transfer of Landbank and ARDA lease program properties to industry ownership
		• FLB Loans/NS farm debt	• 2000 Cal. year 37.5%	37.0%	37.0%	
• Efficient program delivery	• Income in relation to portfolio managed	• Net income (before gov contrib.) as a % of the avg. active loan balance	• 1998–99 fiscal year 0.1%	• 2001–02 forecast 0.6%	0.5% or above	• Maintain interest rate margins in accordance with regulations • Minimize operating expenses by efficient operating structure, practices, training, and electronic systems

[redacted] *Lending*

Outcome	Indicator	Measure	Base Year Measure (Year Stated)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Client satisfaction	• Loan issuance survey results	• Combined Courtesy, Promptness, Knowledge, Commitment on client survey	• 2000–01 fiscal year 92% Good to Excellent	90% or above	90% or above	• Monitor survey results • Review procedures for efficiency gains • Compare service results with commercial lenders to identify priorities for improvement
• Successful clients	• Arrears	• Arrears (incl impaired/ real estate) as % of total portfolio (balance)	• March 31, 2001 4.3%	Under 5%	Under 5%	• Implement follow-up visit policies and track and monitor follow-up visits • Monitor arrears • Refer clients to industry resources
• Counselling and security protection	• Dollar value of accounts written off	• Write-off submission as % of total loan portfolio (balance)	• March 31, 2001 0.2%	Under 0.5%	Under 0.5%	• Provide early and appropriate counselling and referrals to clients in arrears/financial difficulty • Establish sufficient, appropriately valued security on loan approval Review original security decisions when a write-off occurs for lessons to be learned • Recover maximum value on security once the requirement to do so becomes evident

[redacted] *Programs Administration – New Entrant's Program*

Outcome	Indicator	Measure	Base Year Measure (Year Stated)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• New entrances facilitated	• Number of new entrances assisted	• Number of approved applications	• 2000–01 49 new entrants	50	50	• Counselling by professional loan officers • Industry awareness and monitoring suitability through consultation with industry organizations and representatives • Identify appropriate modifications to existing programs • Identify additional funding and support mechanisms
• Prudent financial management	• Total program expenses compared to budget authority	• Total program expenditures within budget	• 2000–01 $706,000 granted	Budget 600,000	Budget 600,000	• Monitor programs in comparison to budget monthly • Identify additional funding sources through development and application of Federal/Provincial funding agreements

[redacted] *Programs Administration – Weather-Related Loss Provision Program/Industry Opportunity Fund*

Outcome	Indicator	Measure	Base Year Measure (Year Stated)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Design, implement, and administer loan-based programs	• Total program expenses compared to budget authority	• Total program expenditures within budget	• 2000–01 Within budget allotment ($7.0 million)	• Budget $4.0 million	• Budget $4.0 million	• Provide administrative support to NSAF to implement loan-based industry opportunity programs • Monitor programs in comparison to budget monthly • Investigate initiatives to create growth in rural industry and support achievement of departmental goals • Receive feedback from the agricultural community

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Film Development Corporation

Business Plan 2002–03

Contents

Introduction 85
Mission 85
Core Business Areas 86
Performance 2001–02 88
Strategic Goals and Priorities 90
Budget Context 95
Film Production Growth Chart 96
Outcomes and Outcome Measures 97

Introduction

Nova Scotia Film Development Corporation's 2002–03 Business Plan recognizes Nova Scotia's film industry as a growth industry at a crucial stage of development. The film and television industry, as well as being a multi-million dollar industry, allows Nova Scotians to preserve their culture and display their talent with pride internationally. The film industry is labour intensive, environmentally friendly, and appealing to our youth.

In each of the last four years, film industry production contributed approximately $100 million to the province's economy and created approximately 2000 jobs. The entire province benefits from these results with films shot outside the Halifax area in places like Shelburne, Chester, Lunenburg, Windsor, Cape Breton, and Ship Harbour. Appendix A is a growth chart depicting Nova Scotia's film activity as a result of our many talented filmmakers and the strategic investments made by the province of Nova Scotia.

Mission

To grow the film and video industry in Nova Scotia by stimulating investment and employment and by promoting Nova Scotia's locations, skills, and creativity in global markets.

To realize our mission statement the Nova Scotia Film Development Corporation concentrates its efforts on five core business functions. These functions include finance programs, tax credit administration, marketing Nova Scotia, locations department, and learning and development.

In carrying out its core business functions the corporation is guided by the following principles to ensure that we are providing proactive, client-driven solutions for a fast-paced, rapidly changing industry. Our guiding principles include quality service, fairness to regions and to people, value for money, accountability, strategic partnerships, lifelong learning, innovation, stimulating business climate, communication, and ability to compete in a global market.

Core Business Areas

1. Local Industry

Film Industry Development Programs

The Nova Scotia Film Development Corporation administers several economic incentive programs. These programs are accessible to Nova Scotia producers who may be acting alone or in co-productions with out-of-province producers. In the 2000–01 fiscal year, there were seven financial programs available for Nova Scotian producers: the Equity Investment Program, the Development Loan Program, the Special Project Award, the Training Assistance Program, the Travel/Market Assistance Program, the New Media Fund, and the Nova Scotia Film Industry Tax Credit. In 2000–01, the corporation had $2.4 million available for investment, and producers accessed $12.6 million through the Nova Scotia Film Industry Tax Credit.

Equity Investment and Development Loans

The corporation will invest in a qualifying Nova Scotia production up to one-third of the production budget to maximum dollar participation per project of $200,000. The investment triggers other sources of financing and enables producers to make their films.

The corporation provides development loans of $25,000 per project to a maximum of one-third of the budget. These loans enable producers to develop their ideas to a stage where they can be pitched to investors.

Travel/Market Assistance

The corporation provides assistance for local producers to attend festivals with the goal of selling completed works or attracting co-production partners for projects in the development stage.

Film Industry Tax Credit

The film industry tax credit is a labour-based tax credit of 30–35 per cent of eligible Nova Scotian labour, capped at 15–17.5 per cent of the total production budget, depending on where the production is shot. The tax credit is a key financing tool used by producers to complete their film and television projects. Both local and guest producers access the tax credit.

2. New Media Fund

The corporation provides both equity investments and development loans for new media projects such as CD-ROMs and Internet-delivered programs.

3. Learning and Development

FITAP

The Film Industry Training Assistance Program (FITAP) creates opportunities for

on-the-job training experience by encouraging producers to take the risk of promoting crewmembers to higher levels. Normally the corporation will support up to four trainee positions per project, to a maximum of $57,600. This program is designed to increase the expertise of Nova Scotian crews by allowing individuals to receive training through experience. Both local and guest producers access the FITAP.

First Works

The First Works program is a hands-on film and video production curriculum with a work-readiness and leadership development component. The eight-week program provides an opportunity for youth aged 18 to 29 to work as a team in the writing, planning, shooting, and editing of film videos. The goal of the program is to open the doors of the film industry to youth participants, many of whom obtain employment or advance to further training programs in the film and television industry after completing the program.

Training Organizations

The corporation invests in the continued professional development of Nova Scotian filmmakers through organizations such as the Moving Images Group, the Atlantic Filmmakers Cooperative, the Centre for Art Tapes, and the Shortworks program. The corporation also hosts its own seminars on business development, pitching, and market-readiness.

4. Special Initiative Programs

Awards

In addition to development and production funding, the corporation has a program of special project awards. Aimed at encouraging emerging producers, the awards are available for projects that contribute significantly to the professional development of the producer. Nova Scotia residents must undertake the projects in this category entirely in Nova Scotia. This program is currently under review, and an enhanced version of the program is scheduled to be launched in fall 2001.

Sponsorships

The Atlantic Film Festival. The Atlantic Film Festival hosts public screenings of current films for adults and children, public and juried competitions, and workshops and seminars that assist in the development of the industry. As well, a prestigious awards luncheon recognizes filmmakers' accomplishments. Each year, work from around the world is showcased, but most importantly, works by producers in the Atlantic region are featured. This offers local audiences an opportunity to see original works by the region's up-and-coming talent. The corporation views the Atlantic Film Festival as an important development and showcase opportunity for the Nova Scotia film industry and is, therefore, pleased to partner with the festival.

The Baddeck International New Media Festival. The Baddeck International New Media Festival is a celebration of new media content and creativity. It provides an opportunity to showcase the local multimedia producers to an international audience. The workshops, keynote addresses, and awards program allow our new media community to explore the many opportunities open to this industry.

5. Marketing and Locations Department (Guest Industry)

The corporation maintains a high profile for Nova Scotia in the international film community through marketing, promotion, and delivery of location and liaison information.

The corporation maintains membership in the Association of Film Commissioners International.

The corporation presents at major film industry trade shows and festivals, and organizes film industry trade missions. Marketing also includes developing key relationships with studio executives in offshore markets and familiarizing decision makers with the skills of our crews and the settings Nova Scotia has to offer.

The corporation produces a high-quality production guide, a CD-ROM featuring Nova Scotia locations, and a locations picture book. All of these tools showcase Nova Scotia's varied location shooting possibilities.

The world is discovering all that Nova Scotia has to offer through its diversity of landscapes, cultures, and people. The following is a summary of service and guest productions that took place in Nova Scotia in fiscal 2000–01:

- Commercials $ 700,000
- Documentary $ 230,000
- Feature/MOW $ 33,700,000
- News/Other $ 220,000

In total, the above guest productions expended approximately $35 million in Nova Scotia.

Performance 2001–02

The year ended March 31, 2001 was a tremendous year for location requests. A total of 106 requests were filled, scripts read, locations breakdowns completed with prospective areas for filming submitted and discussed with producers/members of the production team. The corporation expects to fill approximately 120 requests during the 2001–02 fiscal year.

To date, in 2001–02, 49 projects have been supported. This includes four feature films, eight television series, two television pilots, 12 television specials, 12 development projects, eight new media projects, one

short film, and two sponsorships. These shows, covering documentary, drama, children's, comedy, lifestyle, music variety, and public affairs genres, have contributed $36 million to Nova Scotia's economy so far this year. During the September 2001 funding round the corporation anticipates another 50 applications; however, due to limited funds not all applications will be supported.

The corporation

- produced a *Nova Scotia Information One Sheet* containing important information detailing aspects of the film industry, and it is currently being distributed as part of our locations package
- produced the *Nova Scotia Film and Video Production Guide*, a soundstage brochure, a locations video, a picture book, and a CD-ROM highlighting the new soundstage in Shelburne and the surrounding area
- informed its clients and partners regularly on activities through the *Reel News* newsletter
- implemented monthly screening nights, and provide an opportunity for filmmakers to discuss their works and showcase them to the local community
- organized a familiarization tour that brought key decision makers from a Los Angeles–based company to Nova Scotia to investigate filming a slate of movies in the province over a two-year period
- partnered with the other three Atlantic Canadian film agencies to access ACOA funds for marketing the provinces as film locations
- hosted the Broadcaster Forums, where key decision makers from each of the major broadcasters are brought to Halifax for two days
- created opportunities for Nova Scotian producers to access key export markets internationally to increase co-productions including the UK, Germany, Scandinavia, and the USA, by partnering with organizations comparable to the Nova Scotia Film Development Corporation
- streamlined its guidelines and website information to reduce red tape and to better meet clients' needs
- hosted a pitching seminar to assist producers with their market attendance preparation
- received funding from the federal government to offer an eight-week youth training initiative in the Preston area
- hosted a Business Issues conference December 2001
- invested in the delivery of *Program Five* by Atlantic Filmmakers Cooperative and the Centre for Art Tapes; *Film and Video Workshops* by Shortworks Film and Video Training; *Workshops* by the Moving Images Group; and the *Mentorship Program* through the Centre for Art Tapes

- enhanced its website with the addition of a learning and development section
- partnered with the National Screen Institute to develop the NSI Global Marketing Program
- participated in various career fairs promoting careers in the knowledge-based industries like film and television
- spearheaded an effective interprovincial lobby to improve Nova Scotia's and other regional provinces' receipt of national film and video production funding
- facilitated front-line communication between the Department of Finance and producer clients to improve the tax credit administration process
- implemented systems designed to increase recoupment tracking
- finalized $1.2.6 million in tax credits for productions
- designed a database, in partnership with the Department of Finance, to enhance tracking of financial and employment data
- hosted Music Connection East June 2001. This event brought international promoters and booking agents to Halifax for two days

Strategic Goals and Priorities

Financial

To administer public funds in a strategic and responsible manner.

The film and television industry will always require government assistance. This is not unique to Nova Scotia, but is the reality of the rest of the country, Europe, Australia, and most other areas with the exception of the United States. Canada simply does not have the population base, or viewers, required to maintain a self-sufficient industry.

The corporation will, however, make its investment decisions with the following outcomes in mind: employ Nova Scotians, spend funds in the province, promote the province internationally with positive spin-offs resulting in other areas such as tourism, allow Nova Scotians to tell our unique cultural stories, and demonstrate an opportunity for the corporation to recoup some or all of its investment.

The corporation will design programs that will increase capacity building by helping to stabilize growing companies.

The corporation will increase recoupment realization activities in an effort to increase the return on its investments and provide new monies to invest back into the film community.

To strategically partner with private organizations, the federal government, and other provincial government departments to optimize the resources available for our clients and programs.

The corporation will continue to partner with private companies, the federal government, and other provincial government departments to continually access more of the funds required to deliver its programs. The corporation's partners include HRDC, ACOA, Industry Canada, Foreign Affairs, the Department of Education, the Department of Tourism and Culture, regional development authorities, and the private sector.

The corporation will continue its efforts to restore its budget level to $3.1 million. Invested in the industry, these funds can leverage $60 million of additional funds, which will be spent in the local economy.

The film tax credit is a crucial financing tool used by both local and guest filmmakers. Renewing the tax credit for an additional five years will be a priority of the corporation.

Funding a financial partner for the new media fund will be a priority of the corporation.

Client Service

To proactively meet the needs of its clients and to provide a stimulating business environment.

The corporation will continue to meet its clients' needs through daily interaction, remaining accessible, regular on-site visits, hosting Producer Summits to highlight current challenges and opportunities, providing relevant professional development seminars, and hosting Broadcaster Forums with national and international representation.

A challenge faced by Nova Scotian filmmakers is the requirement of federal funding agencies, such as the Canadian Television Fund and Telefilm Canada, that they produce distinctively Canadian products. Unfortunately these products are not always commercially viable, nor do they hold universal appeal. It is the corporation's aim to assist its clients to tell universal stories in Canada's unique way. The corporation will continue to encourage the federal funding agencies to move in this direction and in the meantime will assist its clients in attracting private financing and foreign sales.

The corporation will organize interprovincial exchanges that will provide an opportunity for its producers to find co-production partners for projects in development.

The corporation will continue to streamline its guidelines with the goal of reducing red tape and the amount of valuable client time required to read, understand, and complete applications. The corporation will continually modify its guidelines and programs to ensure that they are meeting client needs and addressing the ever-changing film and television environment.

The corporation will organize seminars designed to assist clients with the application process to increase the number of successful funding applications.

The tax credit process will be streamlined. Part A certificates will be issued within two weeks of receiving a completed application. Part B authorizations will be forwarded to the Department of Finance within four weeks of receiving a completed application.

The corporation will act as a liaison between its clients and other government departments, such as ACOA, the Business Development Bank of Canada, and Nova Scotia Business Inc.

The corporation will continue to advocate sound business practices through seminars such as the Business Issues program, where industry lawyers, bankers, accountants, insurers and business planners address clients on the most current topics of the film and television industry.

To ensure that all areas of the province benefit from its programs and expertise.

In making investment decisions the corporation will ensure that all areas of the province and all groups of people in the province are represented and fairly treated.

The corporation will continue its Film Talk presentations throughout the province, as well as host location scout training programs in all regions. Work with the regional development authorities on projects that promote their individual regions to the film industry will be continued.

First Works will be offered in another region of the province.

Lifelong Learning and Global Markets

To provide or support proactive learning seminars required to keep its clients abreast of the ever-changing film and television industry and to ensure that the Nova Scotian labour force remains competitive in a global marketplace.

It is the corporation's goal to ensure that its clients possess the tools and information required for competing in a global marketplace.

The corporation will continue to support training organizations such as the Atlantic Filmmakers Cooperative, the Centre for Art Tapes, the Moving Images Group, and the Shortworks program.

The corporation will continue to offer the Film Industry Training Assistance Program and the youth initiative, Nova Scotia First Works.

The corporation will redesign its calling card program to enable emerging producers across the province to move successfully to the film and television production business.

The corporation will provide innovative learning solutions that enable the Nova Scotia film and television production community to compete globally for business. Programs will include, but are not limited to, business issues, pitching workshops, the National Screen Institute's Global Marketing Initiative, and Powertrain.

The corporation will continue to search for strategic financial partners to provide marketing and distribution funds to its clients. Distribution and marketing present crucial challenges to the film and television industry. Currently, large American companies or large vertically integrated Canadian companies dominate the distribution channels. Nova Scotian producers create quality films, but they lack the funds to properly market and distribute them. The corporation's goal is to source the funds required to assist its producers in getting their projects to market. By increasing the marketing and distribution efforts in projects the corporation increases the opportunity of recouping its investment.

Communication

To provide timely and relevant information to its clients and partners to ensure the continued success of our industry.

The corporation will continue to report bi-monthly to its Board of Directors.

The corporation will continue topost its bi-monthly newsletter, *Reel News*, on its website. The newsletter wil update stakeholders on activities, current challenges, and upcoming events.

The corporation will continue to deliver a comprehensive, professional annual report where financial and operationalresults will be highlighted.

The corporation will continue to keep the public and government awar of film industry activities through Film Talk and presentations to governmen Caucus, Standing Committees of the legislature, provincial government agencie and the CRTC, the Department of Canadian Heritage, and other federal government agencies.

The corporation will provide newspaper, radio, magazine, and televisioninterviews

on a regular basis with the aim of sharing the success story of Nova Scotia's film industry.

The corporation will continue to advertise in major trade journals and to attend film festivals and seminars to promote Nova Scotia's film industry and beautiful locations.

The corporation will continue to update its website, ensuring that relevant and timely information is available for its clients.

The corporation will employ an e-mail database distribution system to enhance the existing print and website distribution systems.

To remain competitive, it is imperative that the existing financial supports, including the film industry tax credit and the Nova Scotia Film Development Corporation programs, are maintained. The corporation will continue to track investments and returns that demonstrate the success of Nova Scotia's film and television industry and to share this information with all stakeholders.

The corporation will continue to showcase Nova Scotia's talents and locations by sponsoring events such as the Atlantic Film Festival.

Budget Context

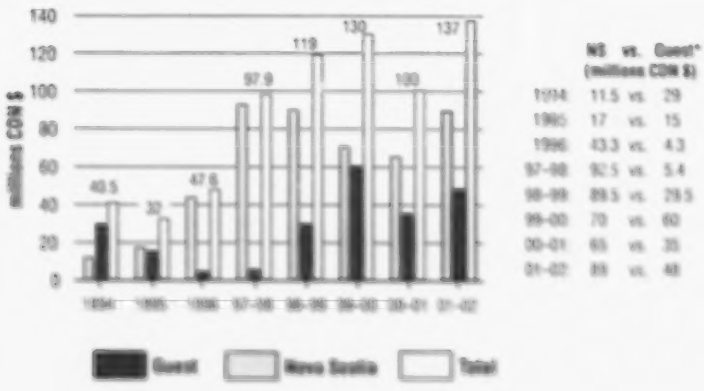
	2001–02 ($)	2002–03 ($)
Contributions		
Nova Scotia Government2,015,500	2,015,500	2,008,200
(Recovery of equity investments and development loans)	150,000	150,000
FITAP—EDA	275,000	0
Federal government: ACFP	205,000	75,000
Federal government: Firstworks	0	100,000
Federal government: Powertrain	0	200,000
Interest income	25,000	25,000
	2,670,500	2,558,200
Disbursements		
Programming	1,693,102	1,684,500
Film school	21,398	0
FITAP—EDA	275,000	0
Atlantic Canada Film Partners	90,000	75,000
Firstworks	115,000	100,000
Powertrain	0	200,000
Administrative	365,000	357,700
Advertising and marketing	111,000	141,000
	2,670,500	2,558,200
Administrative Expenses		
Salaries and benefits	280,000	285,000
Telephone and fax	5,000	5,700
Staff training	6,000	4,000
Bank charges	1,500	1,500
Consultants	7,000	5,000
Courier	5,000	5,000
Dues and fees	4,500	3,000
Insurance	1,500	1,500
Conferences and marketing	5,000	2,500
Board	15,000	13,000
Repairs and maintenance	2,000	1,500
Capital equipment	2,000	2,000
Office	15,000	14,000
Copier and fax rental	6,000	4,000
Postage	3,000	3,000
Professional fees	4,500	3,000
Total Administrative	365,000	357,700

Budget Context (continued)

	2001–02 ($)	2002–03 ($)
Advertising and Marketing		
Business travel	20,000	40,000
Locations	32,000	35,000
Advertising and marketing	27,000	27,000
Familiarization tour	10,000	10,000
Annual report	6,000	6,000
Location scouts	8,000	9,000
Photos and location services	8,000	8,000
Website	0	6,000
Total Advertising and Marketing	111,000	141,000

Appendix A

Growth of Nova Scotia Film Industry 1994 – 2002



	NS	vs.	Guest* (millions CDN $)
1994	11.5	vs.	29
1995	17	vs.	15
1996	43.3	vs.	4.3
97–98	92.5	vs.	5.4
98–99	89.5	vs.	29.5
99–00	70	vs.	60
00–01	65	vs.	35
01–02	89	vs.	48

Source: Nova Scotia Film Development Corporation

* Please note that "Guest" production refers to non-Nova Scotia projects filmed in Nova Scotia.

Outcomes and Outcome Measures

[redacted] *To administer public funds in a strategic and responsible manner*

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• Offer programs at a reasonable cost to the Province	• Return on investment	• Amount of funds leveraged from other sources	• $20 attracted for every dollar invested	• Align our programs with federal programs and private investors
	• Job creation	• Incremental jobs created	• 2000 jobs/year	• Invest in 100 local projects and attract guest productions
	• Profile the province	• Press coverage	• Local, national and international coverage on success of programs and industry	• Prepare regular press releases on program deliveries • Conduct interviews with television, radio, magazine, and newspapers

[redacted] *To strategically partner with private organizations, the federal government, and other provincial government departments to optimize the resources available for our clients and programs*

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• Offer programs in partnership with ACOA to meet client needs	• Renewed funding for Atlantic Canada Film Partners	• Offer the program in 2002-03	• Raise additional new funds of $500,000	• Track results from initial program and demonstrate value in terms of markets attended, products sold, funds raised
	• Renew FETAP funding	• Offer program in 2002-03	• Raise additional new funds of $300,000	• Track results of initial program and demonstrate value in terms of number of trainees and increased number of crews
• Raise funds for a new program designed to enhance digital technology	• Fund Powertrain program	• Offer program in 2002-03	• Raise additional new funds of $600,000	• Successful funding proposal for this new program • Attract knowledgeable partners
• Offer programs in partnership with HRDC	• Offer First Works in another region of the province	• Offer program in 2002-03	• Raise $400,000 of additional funds To offer program in four new areas of the province	• Track results of previous offerings in terms of participants obtaining further employment in the industry or continuing their education

[redacted] *To proactively meet the needs of our clients and to provide a stimulating business environment*

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• [redacted] guidelines	• Increase in funding applications	• Compare to prior year's activity	• Process 300 applications per year	• Modify guidelines to clearly reflect the corporation's mandate
• Increase number of successful funding applications	• Financially support more projects	• Compare to prior year's activity	• Approve 100 applications	• Offer a seminar addressing NSFDC's mandate, guidelines, and how to complete funding applications
• Decrease tax credit processing time	• Reduced backlog	• Time it takes to process A and B certificates	• Part As in 2 weeks; Part Bs in 4 weeks	• Maintain a log receipting applications and process same within the targeted times • Work with clients to ensure applications contain all necessary documentation

[redacted] *To ensure that all areas of the province benefit from our programs and expertise*

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• [redacted] of the province	• Productions shoot outside the Halifax centre	• The amount of production dollars spent in the regions as a % of total production	• Films shot in at least five areas of the province each year	• Work with local RDAs and businesses to attract productions to their community
	• Training and information seminars are offered outside the Halifax centre	• Track number of sessions offered in the regions • Track number of participants	• At least one training seminar and 10 information seminars offered in regions each year	• Design/implement training sessions to offer in regions • Target funding of training programs to those with regional components • Organize community meetings

[redacted]

To provide or support proactive learning seminars required to keep our clients abreast of the ever-changing film and television industry and to ensure our labour force remains competitive in a global marketplace

[redacted]

To ensure our clients possess the tools and information required competing in a global marketplace

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• Business development	• Producers access increased levels of federal and private funds	• Compare to previous levels • Advance emerging producers to moderate	• Increase production to $200,000,000	• Business Issue, pitching seminar, Powertrain, NSI, equity and loans • Deliver programs designed to speed adoption of new technologies
	• Increased exports	• Compare exports to previous levels	• Increase level of exports 100%	• Organize trade missions • Better tracking system of exports • Travel/market assistance program • Skills development programs
• Crew development	• Increase in number and depth of film crews through training programs	• Increase from prior year	• 8 film crews	• FITAP, OHS, First Works programs • Labour market research • Partnerships in training

[redacted] *To provide timely and relevant information to our clients and partners to ensure the continued success of our industry*

Outcome	Indicator	Measure	Target 2004-05	Strategies to Achieve Target
• Increased public awareness of the value to NS economy generated by the film industry	• Public debate	• Number of interviews delivered via print, radio and TV	• Monthly articles/pieces on the film industry	• Annual report public service announcements • Regular press releases on activity and programs • Newsletter distributed on the Internet and e-mail database • Regular interviews with radio and TV
• Increase public awareness of employment opportunities in the film industry	• Youth planning careers in the film industry	• Number of educational and training programs • Increased numbers of youth employed in the industry • Number of inquiries made through NSFDC	• 100 new entries to the industry/year	• Community information meetings • Participate in career fairs • First Works program • Mentorship program • Powertrain program • Provide information and liaison for persons interested in working in film
• Producers maximize access to available revenue	• Production companies stabilize	• Number of production companies in business for more than 5 years • Level of production	• 40 companies > 5 yrs • $200,000,000 of production spending in the province	• Design professional development seminars • Liaise between federal programs and producers • Distribute information on all funding and training opportunities to the production community

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Fisheries and Aquaculture Loan Board

Business Plan 2002–03

Contents

Mission 103
Planning Context 103
Strategic Goals 105
Core Business Areas 105
Priorities 106
Budget Context 108
Outcomes and Outcome Measures 109

Mission

To serve, develop, and optimize the harvesting segment of the Nova Scotia fishing and aquaculture industries, for the betterment of our coastal communities and the province as a whole.

Planning Context

Nova Scotia is the leading fishing province in Canada, a nation that is known as a world fishing power. Our commercial fishery alone has an annual landed value of approximately $648 million and a market value of approximately $1.1 billion, and our aquaculture and recreational fishery sectors generate $130 million more. The industry is the main employer in many regions of the province and drives the economies of our coastal communities.

As our fishery moves into the 21st century, we must maintain and enhance the traditional components of the industry, which over time have provided us with success. We must build on these segments, seeking out and developing new opportunities in aquaculture, the recreational fishery, coastal zone management, under-utilized species, and the processing sector. Whether it is with areas of provincial jurisdiction or with the marine fisheries, which are administered federally, personnel from the Nova Scotia Fisheries and Aquaculture Loan Board must play an active role to ensure that fisheries policies and management strategies are good for Nova Scotia and the industry in this province. Our fishery is more than a way of life, it is a successful business; we must strive to keep it productive and internationally competitive.

The Nova Scotia Fisheries and Aquaculture Loan Board and its predecessor have served the province and the fishing industry since 1936, by providing long-term stable development funding. The board operates under the authority of the Fisheries and Coastal Resources Act. This act, by its name, emphasizes the coastal community development focus of the board's operations.

Financing the growth of the coastal communities in Nova Scotia can best be accomplished, in continued co-operation with other lenders, through the program and services of the Nova Scotia Fisheries and Aquaculture Loan Board. Through this board, the Nova Scotia government will ensure that it has a cost-effective, positive, focused, and beneficial influence on the development of the fishing and aquaculture industries and of coastal Nova Scotia.

For a number of years a priority of the department and of the loan board was the lending of funds to aquaculturists to set up new aquaculture operations or to expand

existing sites. This emphasis has changed due to the non-performance of aquaculture loans granted by the Fisheries and Aquaculture Loan Board. Loan requests from this sector are being examined more closely, and nine recommendations have been put in place to assist loan board staff and loan board members in the assessment process.

The Fisheries and Aquaculture Loan Board borrows funds from the Department of Finance on a quarterly basis. The Department of Finance marks up the interest rate 15 basis points and the loan board increases this rate by at least 1.75 per cent thereby guaranteeing the province a profit on the board's loan portfolio. For the fiscal year ending March 31, 2001, the loan board's surplus was $1,046,733, according to the Office of the Auditor General. With this financial arrangement in place, the loan board can fulfill the expectations and service needs of the fishing industry by providing long-term, stable development funding.

The Fisheries and Aquaculture Loan Board must, on a continuing basis, watch for any changes in the federal government fishery policy that would affect the repayment ability of the fishers of this Province. The Marshall decision has had a beneficial effect on the Nova Scotia boatbuilding industry and on the used boat market in Nova Scotia. The federal government is purchasing, for the native community, used boats from our fishers who then have new vessels built at Nova Scotian boatyards and finance the new boats with the Fisheries and Aquaculture Loan Board. The federal government is also having new vessels built at Nova Scotia boatyards for the native community, which has greatly increased the revenue for many boat shops. This trend of increased boatbuilding activity should continue well into 2002, thereby keeping the loan activity of the loan board at a very high level.

There has been a need for many years for a financing package for new entrants to purchase their own licences and boats. These applicants would be qualified individuals who have never owned a licence or boat previously and who wish to purchase an existing enterprise. It is very difficult for these individuals to obtain financing due to security concerns and the amount of funding required.

The Fisheries and Aquaculture Loan Board will be applying to government for $10 million to put in place a pilot lending program to finance the purchase of fishing licences and boats for new entrants in the harvesting sector. A revised regulation package relating to this lending program for these new entrants will also be submitted.

This commitment was made by government in the Fisheries Section of the document *The Course Ahead*, which states: "Maintain stability in the industry and

foster a competitive business climate by providing financial support through the Fisheries and Aquaculture Loan Board and by establishing a mechanism that will allow licences, Individual Transferrable Quotas, and Enterprise Allocations to be considered assets in arranging for loans through the Fisheries and Aquaculture Loan Board."

As a result of the events of September 11, 2001, fish prices declined on a temporary basis. Prices have increased and stabilized and are back up to pre-crisis levels. The Fisheries and Aquaculture Loan Board monitors these prices on a weekly basis.

Strategic Goals

The Fisheries and Aquaculture Loan Board supports the goals and priorities of the government of this province and of the Department of Agriculture and Fisheries through the following strategic goals:

- Increase access to stable, fixed-rate, long-term developmental financing.
- Increase production and market value from the fishing and aquaculture industries in Nova Scotia.
- Increase the productivity and competitiveness of the boatbuilding and harvesting sectors in our coastal communities.
- Replace the older vessels in the fleet with modern efficient boats or upgrade these older vessels to meet today's safety and efficiency standards

Core Business Areas

In order to carry out the board's mission and that of the Department of Agriculture and Fisheries, the board is involved in the following four core business areas:

1. Providing long-term fixed-rate loans for the development of the harvesting and aquaculture sectors of the fishing industry.

Government developmental financing is required for the harvesting sector, as the chartered banks consider lending to this sector to be high risk. Aquaculture financing is also necessary as this sector is a new developing industry, that the banks believe to be very high risk.

2. Maintain a vessel inspection program for all new construction, used vessel purchases, and engine and equipment loans.

A vessel inspection program is necessary for new boat construction to ensure that the boats are built to rigid loan board

standards. Used vessels and vessels related to engine and equipment loans are inspected to ensure that the funds lent are secure in the value of the boat.

3. Maintain a loan collection program on a monthly basis to keep loan arrears to a minimum.

Each and every lending institution must have an effective collection program to reduce arrears and keep write-offs to a minimum.

4. Provide financial counselling and assessments for proposed projects.

Financial counselling ensures that customers manage their income and resources wisely and assists the loan board's repayment record. Project assessments help the industry to be successful and also reduce the potential of delinquent accounts.

Priorities

In keeping with the goals for the board, Department of Agriculture and Fisheries, and government, the following represent the board's priorities for 2002–03.

1. Providing long-term fixed-rate loans for the development of the harvesting and aquaculture sectors of the fishing industry.

- Provide $25 million of developmental funding to the fishing and aquaculture industries.
- Continue to assess new loan proposals by applicants and to council clients.
- Continue to review the loan approval process to eliminate red tape.
- Review loan approval conditions to streamline the loan process after approval.
- Facilitate the replacement and upgrading of older vessels in each fleet.

Note: The board reviewed 256 loan applications during the 2000–01 fiscal year.

2. Maintain a vessel inspection program for all new construction, used vessel purchases, and engine and equipment loans.

- Carry out biweekly inspections during construction of each new vessel to ensure that it is built to rigid loan board standards.
- Inspect all used vessels financed by the loan board, as well as vessels for engine and equipment applications, to ensure

that they are built to loan board standards. Inspections also guarantee that the funds lent by the loan board are secure in the value of the boat.

- Carry out annual maintenance inspections on loan board–financed vessels to ensure continued loan security and equity.
- Check and approve builder construction plans and boat specifications to ensure that they meet loan board standards.
- Assist boatbuilders by giving technical advice, which relates to the preparation of plans and drawings for Canadian Steamship Inspection approval, and technical assistance, which relates to the construction of new vessels.

Note: The board carried out 511 new vessel inspections and 629 inspections of another nature during the 2000–01 fiscal year.

3. Maintain a loan collection program on a monthly basis to keep loan arrears to a minimum.

- Review loan board arrears on a monthly basis to determine the proper course of action required.
- Continue to write letters and make phone calls and field visits in an effort to collect delinquent accounts.
- Make monthly collection visits to clients to reduce the arrears outstanding and minimize write-offs.

Note: The arrears percentage has been reduced to 3.4 per cent as of September 30, 2001 from 5.6 per cent on March 31, 2000.

4. Provide financial counselling and assessments for proposed projects.

- Continue to review and analyse applications for funding and various other projects.
- Examine the funding of vessels to engage in the harvesting of non-traditional species.
- Investigate new loan programs with flexible terms that will assist the fishing industry.
- Continue to partner with industry, other lenders, and other government departments to improve financial information and develop combined lending packages for our clients.
- Assist boatbuilders, harvesters, and aquaculturists in obtaining working capital lines of credit from the chartered banks.

Budget Context

Estimated Budget Expenditures by Core Business

Core Business	Actuals 2000–01 ($,000)	Budget 2002–03 ($,000)
Core Business 1	318,774	331,381
Core Business 2	152,874	152,874
Core Business 3	38,945	38,945
Core Business 4	30,000	30,000
Administration and support	77,645	80,200
Total—Gross Current	618,238	633,400
Total—Program expenses net of recoveries	466,125	486,700
Salaries and benefits	466,300	505,000
Funded staff (FTEs)	9.0	10.0

	Year Ending Mar. 31, 2001	Year Ending Mar. 31, 2000	Year Ending Mar. 31, 1999	Year Ending Mar. 31, 1998	Year Ending Mar. 31, 1997
Lending budget	$21.0 million	$15.0 million	$11.0 million	$11.0 million	$11.0 million
Principal payments	$9.0 million	$8.9 million	$9.3 million	$9.1 million	$14.0 million
Interest payments	$3.6 million	$3.3 million	$2.9 million	$3.3 million	$3.8 million
Loans receivable	$52.6 million	$43.1 million	$37.9 million	$37.4 million	$38.8 million
Doubtful accounts	$1,116,943	$1,013,990	$969,165	$959,738	$928,472
Interest expense	$2,746,352	$2,385,595	N/A	N/A	N/A
Net income	$1,046,733	$869,533	N/A	N/A	N/A

Outcomes and Outcome Measures

[redacted] *Providing long-term fixed-rate loans for the development of the harvesting and aquaculture sectors of the fishing industry*

Outcome	Indicator	Measure	Base Year Measure 2000–01	Targets 2004-05	Strategies to Achieve Target
• Sustainable fishery and aquaculture industries	• Total industry income	• Industry income	• Industry income ($648 million)	• Industry stability	• Continued interaction with the industry and government
• Increased lobster landings and sales	• Fisheries income levels (lobster) 3400 licenses	• Average individual fishers income (lobster)	• Individual fishers income ($83,478) Average lobster income	• Increase average income levels (lobster) 2% per year	• Lending to meet industry needs • Development of new lending programs • Implementation of revised payment schedules
• Development of new fishery enterprises	• Lending activity	• Loan advances	• Loan advances ($18.5 million)	• Increased annual advances	• Working with industry and government • Provide financing for the harvesting of under-utilized species
• Jobs maintained and created in Nova Scotia	• Jobs maintained and created from lending activity	• Creation and maintenance of jobs	• Creation and maintenance of jobs (7,992) direct and indirect	• Maintain and create jobs in Nova Scotia	• Provide long-term fixed-rate loans • Support new industry initiatives.
• Improve lending programs for the fishing and aquaculture industries	• Utilization of loan programs	• Increase in loan portfolio	• Increase in loan portfolio ($53 million)	• Increase of 15%	• Support financially viable operations

Maintain a vessel inspection program for all new construction, used vessel purchases and engine and equipment loans

Outcome	Indicator	Measure	Base Year Measure 2000–01	Targets 2004-05	Strategies to Achieve Target
• Inspect each new vessel under construction biweekly	• Inspection activity	• Number of new vessels inspected biweekly	• Number of new vessels inspected biweekly (511 annually)	• All new vessels under construction to be inspected biweekly	• Adequate operating budget • Biweekly inspection report • Biweekly progress payments to boat builders
• Inspect each vessel that is financed by the Board on a yearly basis	• Inspection activity	• Number of vessels inspected	• Number of vessels inspected (523 annually)	• All vessels to be inspected annually	• Adequate operating budget to inspect each vessel yearly • A completed survey report on each vessel per year • Maintain an equity position in each vessel financed by the loan board
• Ensure that vessels related to used boat, engine and equipment applications are appraised biweekly	• Inspection activity	• Number of vessels inspected	• Number of vessels inspected (106 annually)	• Biweekly inspections	• Adequate operating budget to inspect on a biweekly basis • An inspection report to be completed biweekly

[redacted] *Maintain a loan collection program on a monthly basis to keep loan arrears to a minimum*

Outcome	Indicator	Measure	Base Year Measure 2000–01	Targets 2004-05	Strategies to Achieve Target
• Frequent collection activity	• Monthly phone calls, letters and collection visits	• % of accounts in arrears	• % of accounts in arrears (4.1%)	• 3% arrears level	• Adequate operating budget to collect via field visits monthly • Sufficient staff to collect monthly
• Decrease in arrears level	• Number of phone calls, letters, and visits	• % of accounts in arrears	• % of accounts in arrears (4.1%)	• 3% arrears level	• Fisheries Loan Board loans secure in the value of the boat • Loan balances reducing as per repayment schedule

[redacted] *Provide financial counselling and assessments for proposed projects*

Outcome	Indicator	Measure	Base Year Measure 2000–01	Targets 2004-05	Strategies to Achieve Target
• Harvesters successfully expand their operations	• Successful expansion of fishing operations	• Increase in fishers' income	• Increase in fishers' income	• 5–10% annual increase in fishers ' gross stock	• Suitable lending programs. • Well-trained staff
	• Decreased annual write-offs	• % of annual write-offs	• % of annual write-offs (.25%)	• No increase in write-off amounts as a % of loan portfolio	• Patient lending • Regular client visits • Counselling for fishers and aquaculturists

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Gaming Corporation

Business Plan 2002–03

Contents

Mission 115
Planning Context 115
Strategic Goals 115
Business Objectives 116
Core Business Areas 116
Priorities 118
Performance 2001–02 121
Budget Context 125
Outcomes and Outcome Measures 126

The Nova Scotia Gaming Corporation (NSGC) is a Crown corporation governed by the provincial Gaming Control Act. Through legislation, it is mandated to conduct and manage the province's gaming business to maximize net revenue in a responsible manner.

Mission

To provide entertaining and reliable gaming products in a responsible and regulated environment, optimizing the financial benefits for Nova Scotians.

Planning Context

NSGC, like most major organizations, is experiencing significant and rapid change in the environment and the marketplace within which it operates. Increasing competition for entertainment spending, greater Internet access, and evolving technology are driving the development, distribution, and accessibility of new products to meet player demand. This, combined with shifts in demographics and in political and social attitude toward gaming, has a substantial impact on how NSGC conducts and manages gaming in the province.

The continued success of the gaming industry in Nova Scotia lies with NSGC's ability to respond to the following key internal and external environmental factors:

- The emergence of technology, in both the delivery of gaming products and the type of gaming products offered to customers.
- Changing demographics, which may lead to different needs and expectations of its customers.
- Increased competition for the "entertainment dollar" and the resulting need to provide greater choice, control, and convenience to existing and new customers.
- Social considerations around problem gambling and the important focus on responsible gaming.
- Management of key relationships, including its operators, business partners, key stakeholder groups, and its shareholder (the Province of Nova Scotia) in order to successfully advance a progressive and responsible gaming strategy for the province.

Strategic Goals

NSGC has identified seven strategic goals to achieve over the next three years:

1. Provide, through its operators and other business partners, high-quality gaming products that are responsive to the needs and expectations of its customers.
2. Continue to identify and implement

responsible gaming initiatives and to promote Nova Scotia as a leader in responsible gaming.

3. Meet or exceed revenue commitments to the province.
4. Be an efficient and effective business by managing resources well, leveraging business relationships and focusing on tangible results and outcomes.
5. Pursue new business opportunities that align well with its vision and other strategic goals.
6. Achieve greater public awareness and acceptance of gaming as an entertainment choice.
7. Develop and sustain a corporate culture that values entrepreneurialism, professionalism, and excellence and is committed to employing people who are motivated to fulfilling their independent and collective potential.

Business Objectives

NSGC's business objectives are to

- Return revenue to the province for programs and services for the benefit of all Nova Scotians.
- Earn and maintain public trust by acting responsibly and with integrity.
- Promote responsible play.

In meeting these objectives, the corporation has three core business functions.

Core Business Areas

Operations Management

This involves the effective management of NSGC's existing gaming businesses—ticket lottery, video lottery, and casino. There are three key areas under this core business function:

- Operator Management. This includes the management of and support to NSGC's operators—Atlantic Lottery Corporation (ALC) and Casino Nova Scotia (CNS)—to ensure optimal performance of agreed-upon indicators, as well as growth through the existing gaming businesses.
- Risk Management and Quality Control. This involves proactive risk management and effective quality control within a business environment.
- Compliance Management. Compliance management is a key component of a well-run gaming industry. NSGC ensures that all its business conforms to applicable legislation, regulations, contracts, and policies.

Business Development

Beyond the ongoing operations of ticket lottery, video lottery, and casinos, NSGC must strategically invest in initiatives that directly align with its goals.

- Responsible Gaming. NSGC is committed to being a leader in responsible gaming. Significant staff time is dedicated to considering new initiatives, sharing information, consulting various experts, and managing ongoing responsible gaming projects.
- Industry Knowledge and Research. A sound knowledge of current industry trends is necessary when considering new gaming opportunities. Hand in hand with exploring new business opportunities are research initiatives that are reflective of a customer-driven, publicly accountable organization.
- Planning and Policy Development. NSGC is committed to exploring new opportunities through proper planning and thorough policy consideration. The main focus of planning and policy development is to create an environment that is conducive to facilitating and advancing gaming opportunities in Nova Scotia, including expanded business and responsible gaming initiatives.

Relationship Management

Given the many stakeholders that contribute to gaming in Nova Scotia, NSGC's success is directly connected to its ability to forge and maintain successful relationships with several different groups. These groups can be broken into three segments:

- Shareholder Relations. NSGC is conducting and managing gaming on behalf of its shareholder, the Province of Nova Scotia. Through its Board of Directors, NSGC has a responsibility to keep government apprised of emerging issues related to gaming and to provide financial reporting on its operations.
- Operator Relations. It is imperative that NSGC has a strong relationship with its operators, ALC and CNS. To continue strengthening these reciprocal relationships, NSGC invests time to ensure that it is providing clear advice and direction and that both operators understand their respective roles in meeting the needs of NSGC and its shareholder.
- Stakeholder Relations. Integral to ensuring that NSGC is successful in achieving its strategic goals is ongoing networking with retailer groups, the business community, problem-gambling specialists, the research community, and the media.

Priorities

Goal 1

Provide, through its operators and other business partners, high-quality gaming products that are responsive to the needs and expectations of its customers.

There are two primary focuses to achieving this goal: to enhance existing products and to introduce new products and distribution channels.

1. In 2002–03, the following initiatives will be pursued in order to enhance existing products:
   - Complete the VLT Replacement Plan with the replacement of the remaining 1,960 VLTs by November 30, 2002. This will be in advance of the original deadline of March 31, 2003, in order to meet retailer demand for the new machines.
   - Enhance the ticket lottery TAG game and Keno Atlantic by July 31, 2002, in order to provide approximately $2.4 million in additional sales in 2002–03.
   - Bundle on-line ticket lottery games into "promo packs" by January 31, 2003, in order to generate incremental sales of about $0.8 million.
   - Recruit new players into the Casino Player's Club program with a view to expanding the player base by 50 per cent. Retain existing Player's Club members at an average visit frequency of 11.5 visits per year and an average spend of $35 per visit.
2. The introduction of new products and distribution channels for 2002–03 will provide $2 million in incremental annual sales and include the following initiatives:
   - Develop an annual VLT game replacement strategy by March 31, 2003.
   - Launch two new ticket lottery games (a sports game and a national instant game) by October 31, 2002.
   - Introduce ticket vending machines in select liquor-licensed establishments by August 31, 2002.

Goal 2

Continue to identify and implement responsible gaming initiatives and to promote Nova Scotia as a leader in responsible gaming.

NSGC will finalize and begin implementing a long-term responsible gaming strategy. Components of the strategy, which will be completed by March 31, 2003, include

- Develop an employee responsible gaming orientation program for NSGC, ALC, and CNS employees.
- Use existing products as a means to distribute responsible gaming information.

- Distribute information about problem-gambling resources more widely to the public.
- Create a responsible gaming week in partnership with its operators and other problem-gambling stakeholders (e.g., Department of Health).
- Evaluate new products, product features, or programs that are designed to discourage excessive play.
- Assess the effectiveness of the four responsible gaming features that were incorporated into the new VLTs.

Goal 3

Meet or exceed revenue commitments to the province.

In 2002–03, NSGC will contribute $190.3 million (+/–2%) to the province, which will be used to fund important government programs and services.

The total payment is based upon meeting the following financial targets:

	($ millions)
Casino Win Tax	$20.0 +/–5%
Halifax Casino net income	$(1.4) +/–5%
Sydney Casino net income	$8.6 +/–5%
Ticket Lottery net income	$49.8 +/–4%
Video Lottery net income	$126.9 +/–2%
ALC Overhead expense	$9.1 +/–5%
Responsible gaming contributions and programs	$2.2 +/–10%
Management expenses	$2.3 +/–10%

Goal 4

Be an efficient and effective business by managing resources well, leveraging business relationships, and focusing on tangible results and outcomes.

In 2002–03, NSGC will evaluate operational efficiencies and implement strategies to effectively manage and optimize resources.

There will be four initiatives undertaken by March 31, 2003:

- Complete the Casino HST Efficiency Review with the aim of reducing the annual HST expense by approximately $1 million by obtaining favourable rulings from the Canada Customs and Revenue Agency (CCRA).
- Implement a VLT Asset Management Program in order to effectively and efficiently manage the limited VLT asset base.
- Leverage casino food and beverage amenities with the objective of generating sufficient food and beverage revenues to fully cover their related expenses, as well as achieving a 70 per cent food and beverage coupon redemption rate by existing Player's Club members and a 10 per cent rate by new numbers.
- Implement key operator relationship strategies that were developed in 2001–02.

Goal 5

Pursue new business opportunities that align well with its vision and other strategic goals.

To meet increasing player demands for choice, convenience, and control, NSGC will, through its agent ALC, pursue two opportunities in 2002–03:

- Introduce electronic service delivery of selected ticket lottery products by November 30, 2002, providing approximately $0.2 million in additional sales.
- Determine if there is a business case for five-minute Keno, a popular fast draw lottery game with set prize amounts.

Goal 6

Achieve greater public awareness and acceptance of gaming as an entertainment choice.

A three-year strategic communications plan for NSGC has been developed, and implementation of this plan will begin in 2002–03. The following initiatives will be undertaken:

- Conduct benchmark research upon which to base existing public awareness and acceptance of gaming.
- Produce a 2001–02 annual report with a combination responsible gaming/ entertainment theme.
- Produce television advertisements and supporting print ads with a responsible gaming/entertainment theme.
- Enhance the corporate website to make it more responsible gaming/entertainment focused.

Goal 7

Develop and sustain a corporate culture that values entrepreneurialism, professionalism, and excellence and is committed to employing people who are motivated to fulfilling their independent and collective potential.

NSGC is committed to ensuring its staff have the necessary skills and competencies that will be instrumental to NSGC achieving all of its other strategic goals.

In 2002–03, efforts will continue to enhance skills and to create an "entrepreneurial" culture focused on meeting, and in some instances exceeding, expectations. Specific initiatives include

- Provide core competencies training.
- Continue a comprehensive performance management program.
- Develop a rewards and recognition program.

Performance 2001–02

Corporate Priorities

1. **Develop a Corporate Strategic Plan.**

   Achieved. A three-year Corporate Strategic Plan (2002–05) for NSGC was completed in October and provides important focus and direction. This will ensure that NSGC can proactively respond to changes in the business environment as the gaming industry continues to evolve.

2. **Continue the development and implementation of a relationship strategy for both operators.**

   Achieved. Relationship strategies have been formalized for both of NSGC's operators. As a result, both parties' interests and goals are well defined and understood, which allows the benefits of the relationship to be optimized. These strategies built upon a number of efforts NSGC initiated with CNS and ALC in 2000–01 in order to strengthen the working relationships.

3. **Implement training and development initiatives in order to increase knowledge of the gaming industry.**

   Achieved. A number of activities were undertaken in order to enhance NSGC board members' and staff's knowledge of the gaming industry. Some examples include retailer visitation, gaming conference attendance, and regular written industry updates.

4. **Evaluate opportunities to minimize NSGC's cost of operations, including the costs of its operators.**

   Achieved. An internal review of NSGC's management costs was conducted and showed that the corporation was being run efficiently and all identified savings from the review have been pursued. A review of casino operational costs resulted in a $2-million retroactive HST payment with approximately $0.5 million in annual HST savings. NSGC also provided the necessary support, advice, and approval to ALC so that it could proceed with its realignment to improve its operations as outlined in the formal ALC Efficiency Review conducted in 2000–01. NSGC will continue to pursue opportunities for operational efficiencies in order to improve its bottom-line financial position.

5. **Continue the development and implementation of effective business practices to facilitate the achievement of business goals.**

Achieved. Over the last two years, NSGC has made significant progress in the development and enhancement of internal business practices to ensure the quality of its operations. In 2001–02, a risk management framework was developed to assist NSGC in the identification of internal and external business risks, the assessment of these factors, and the development of action plans to mitigate those challenges. As well, NSGC's financial controls and procedures have been formalized, ensuring accuracy and relevancy of its financial information.

Casino Priorities

6. **Focus marketing activities on player development.**

Achieved. The marketing activities were focused primarily on player expansion and player retention. Player expansion was achieved through growth in the Player's Club database and increased bus tours. Player retention was achieved primarily through direct marketing initiatives to existing Player's Club members. These three marketing initiatives either met or exceeded targeted expectations.

7. **Complete the slot replacement strategy.**

Achieved. An important component of product strategies is delivering high-quality products that are responsive to the expectations of players. Many of the slot machines had not been replaced since the interim casino began operation in 1995. Four hundred new machines were replaced in the first quarter of 2001–02. The replacement of another 75 slots scheduled for the fall was postponed to evaluate other opportunities.

8. **Leverage gaming revenues through food and beverage and entertainment operations.**

Achieved. A common strategy in the gaming industry is to leverage food, beverage, and entertainment operations to enhance gaming revenues. CNS has developed effective, direct mail promotions offering food, beverage, and entertainment incentives. The redemption rate of the promotions was strong and considered successful. Up to 80 per cent of the food and beverage coupons sent to Player's Club members were redeemed.

Ticket Lottery Priorities

9. **Develop new products within the Ticket Lottery business line.**

Achieved. Throughout the year, ALC launched a variety of special occasion and themed tickets. The year's most significant product launch occurred in

October, with the enhanced version of Atlantic Choice under the name of Keno Atlantic. Since its introduction in 1989, the Keno-style Atlantic Choice had been drawn three times each week. But over the years, the Atlantic Canadian marketplace has changed, with players now expecting higher-frequency games offering more entertainment. To add more entertainment value and choice, ALC now offers Keno Atlantic on a daily basis, which has proven successful and has, in fact, exceeded revenue expectations.

10. **Develop a Ticket Inventory Management System (TIMS)/ Strategic Sales Management Program**

Achieved. As a result of the ALC Efficiency Review, a decision was made not to develop a stand-alone Ticket Inventory Management System (TIMS). Instead, ALC decided to go even further and replace its entire Instant and Online Gaming System, of which TIMS would be a component. The new Instant and Online Gaming System will be installed in 2002–03. It will allow for such things as better customer service, improved information reporting, and easier introduction of new games.

In 2001–02, ALC began developing its Strategic Sales Management Program, which essentially involves the categorization of retailers based on current sales performance and potential for future growth. Categorizing retailers allows ALC to look at making some changes to the service they provide to retailers, directed at both revenue enhancement and efficiency. ALC has completed Phase I, which involved defining the different retailer categories and implementing a training program for ALC sales staff.

11. **Expand product distribution channels**

Achieved. In 2001–02, ALC continued to develop the infrastructure to expand and strengthen its product distribution channels. Approximately 1,200 state-of-the-art computer-based Lottery Retail Terminals (LRTs) were installed, providing retailers with a more efficient way to sell and validate on-line lottery tickets. In addition, ALC introduced a new, multi-purpose retail terminal (MRT), which allows retailers to sell both breakopen and instant products, as well as validate instant products. By March 31, 2002, approximately 200 MRTs had been installed in Nova Scotia.

In December, ALC piloted a different way of selling scratch tickets through the introduction in selected Nova Scotia post offices of MRTs that offered tickets with a Christmas holiday theme. NSGC and ALC are currently assessing this pilot project.

Video Lottery Priorities

12. **Continue NSGC's commitment to responsible gaming by replacing its existing VLTs with machines that have responsible gaming features.**

Achieved. The roll-out of the new machines equipped with responsible gaming features began in May 2001. The new machines have four responsible gaming features, aimed at discouraging excessive play, integrated into the play of the VLTs. As of March 2002, NSGC was almost at the halfway point of its replacement plan, with approximately 1,800 VLTs now equipped with the new features. The remaining 1,960 (1,554 to retailers and 406 to First Nations) will be replaced during 2002–03.

13. **Conduct an evaluation of the responsible gaming features.**

Achieved. The four responsible gaming features to be integrated into the new VLTs are an industry-first in North America, thus there is no information available on their effectiveness. To assess the impact of the responsible gaming features, NSGC initiated a nine-month study in May 2001. A report is expected in spring 2002, at which time NSGC will assess the effectiveness of the features in addressing excessive play.

Budget Context

	Forecast 2001–02 ($,000)	Budget 2002–03 ($,000)
Revenues		
Atlantic Lottery Corporation		
Ticket lottery	204,100	213,700
Video lottery	161,100	190,400
Payment from New Brunswick	500	500
Halifax Casino Nova Scotia		
Casino	64,600	68,100
Beverage, food and other	7,100	7,400
Sydney Casino Nova Scotia		
Casino	29,700	32,000
Beverage, food, and other	1,700	1,700
Interest income	400	400
	469,200	514,200
Expenses		
Atlantic Lottery Corporation		
Ticket lottery expenses		
– Prize expense	107,300	113,300
– Retailer commissions	17,800	18,800
– Operating and other	27,700	31,800
Video lottery		
– Retailer commissions	34,700	40,900
– Operating and other	12,700	22,600
General overhead	8,500	9,100
Halifax Casino Nova Scotia		
Casino win tax	12,900	13,600
Operating	59,500	62,200
Capital reserve	1,100	1,100
Sydney Casino Nova Scotia		
Casino win tax	5,900	6,400
Operating	16,200	16,000
Capital reserve	500	500
Payments to operator	2,000	2,200
Responsible Gaming contribution and programs	1,900	2,200
Special Payments		
Harness Racing Fund	1,000	750
Sport and Recreation Commission	100	100
Department of Agriculture and Fisheries	50	50
Department of Education and Culture	50	50
NSGC management expenses	2,600	2,300
	312,500	343,950
Net Income	**156,700**	**170,250**
Total Payments to Province of Nova Scotia		
NSGC net income	**156,700**	**170,250**
Casino win tax	18,800	20,000
	175,500	**190,250**

Outcomes and Outcome Measures

Outcome	Indicator	Measure	Base Year Measure 2001–02	Targets 2004-05	Strategies to Achieve Target
1. Provide high-quality gaming products	• Sales growth • Customer satisfaction	• $ sales • % of customers who rated products and services as good/very good	• $469 million • 68%	• $550 million • 72%	• VLT Replacement Plan • New and improved ticket lottery games strategy • Casino Player Development Program
	• Retailers' satisfaction	• % of retailers who rated overall service as good/very good	• 71%	• 75%	
2. Leader in responsible gaming	• Responsible gaming funding • Public awareness of NSGC's commitment to responsible gaming	• $ funding • % increase in public awareness of NSGC's commitment to responsible gaming	• $1.9 million • N/A	• $2.3 million • 8% increase	• Responsible gaming strategy
	• Players' awareness of responsible gaming features	• % of VL players aware of responsible gaming features	• 20%	• 80%	
3. Meet revenue commitments	• Total payment to Province	• $ payment	• $175.5 million	• $215 million	• Successful completion of outcomes # 1, 4, and 5
4. Be efficient and effective	• Net income in relation to sales • Operators' satisfaction	• % change in net income in relation to sales • Rating of overall effectiveness of relationship	• N/A • 8.5/10	• 0% change • 9/10	• HST Efficiency Review • Casino Amenities Strategy • VLT Asset Management Program • Operators' Relationship Strategy

Outcome	Indicator	Measure	Base Year Measure 2001–02	Targets 2004-05	Strategies to Achieve Target
5. Implement new business development opportunities	• Sales from new business development initiatives	• $ incremental sales	• N/A	• $12 million	• Electronic service delivery of select ticket lottery products • Assessment of 5-minute Keno game
6. Greater public awareness and acceptability	• Public acceptability of gaming	• % increase of public not opposed to any forms of gaming	• N/A	• 8% increase	• Communications Strategy • Website development program • Annual Report
	• Public awareness of NSGC	• % increase of public awareness of NSGC	• N/A	• 8% increase	
	• Public consideration of gaming as entertainment	• % of public who agrees or strongly agrees that gaming is entertainment	• 78%	• 80%	
7. Positive corporate culture	• Staff participating in training and development programs	• % of staff participating in training and development programs	• 80%	• 85%	• Core competencies training program • Performance management strategy • Rewards and recognition program
	• Staff awareness of current issues	• % of staff who agree that they are kept informed of current issues facing organization	• 92%	• 95%	

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Government Fund Limited

Business Plan 2002–03

Contents

Mission 131
Planning Context 131
Strategic Goals 131
Core Business Area 132
Priorities 132
Budget Context 132
Outcomes and Outcome Measures 132

Mission

To fund alternative delivery initiatives for government.

Planning Context

The Nova Scotia Government Fund Limited (NSGF) was incorporated on December 16, 1994 under the Companies Act (Nova Scotia). It was approved by Citizenship and Immigration Canada as a government-administered venture capital fund pursuant to the immigration regulations (1978).

The January 4, 1996 offering memorandum included certain investment and policy restrictions that have imposed investment difficulties on the NSGF. The offering states, "The Fund will be restricted to making investments directed to the privatization of public services and may include operation of food services in hospitals, laboratory services to health care facilities, and other projects that will result in economic benefit to Nova Scotia."

NSGF continues to actively look for appropriate investments within the limitations of the offering memorandum. The opportunities for investment are further hampered by the significantly declining interest rates available from other sources that have decreased the attractiveness of the NSGF funds for investment.

Nonetheless, the NSGF has been able to identify the two investment projects required to meet the federal program requirements, with the second project being finalized at this time. Funds not invested in projects have been safely placed where they can be accessed as qualified investment opportunities occur.

NSGF will primarily confine its efforts to adhering to the policies of the federal legislation relating to the fund and ensuring that the funds are invested in appropriate projects that meet the objectives of the fund.

Strategic Goals

Federal and provincial investment criteria have limited suitable investment opportunities. In light of this, the goals of the NSGF for the fiscal year 2002–03 are

1. To ensure that the funds of all investors are safely invested.
2. To direct the Nova Scotia Department of Finance to continue to invest any money not invested in qualified projects in liquid Canadian securities until such time as the investors' promissory notes come due.
3. To repay investors when their notes become due (i.e., starting March 2002).

4. To take advantage of investment opportunities as they arise.

Core Business Area

The core business area of the NSGF is to invest the funds already raised through the offering memorandum in qualified investments as outlined by both Citizenship and Immigration and the offering memorandum.

Priorities

The priority for the near term is to ensure that the funds belonging to the investors are safely and soundly invested.

Budget Context

Expenses incurred by the NSGF are offset against interest earned by investments.

Outcomes and Outcome Measures

NSGF is a mature government-administered venture capital fund approved by Citizenship and Immigration Canada under immigration regulations (1978). Through the Board of Directors of NSGF, the prime emphasis with the fund is to ensure that it is properly invested in safe investments that meet the requirements of the offering memorandum. At this stage in the fund's existence, the prime job is to maintain proper monitoring of the assets and investments.

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Harness Racing Incorporated

Business Plan 2002–03

Contents

Mission 135
Planning Context 135
Strategic Goals 135
Core Business Areas 136
Priorities 136
Budget Context 136
Outcomes and Outcome Measures 138

Mission

To evaluate how best to spend the government funding provided while at the same time moving the harness racing industry to a more competitive, self-sufficient funding position.

Planning Context

- **Agreement reached between horsemen's groups and race tracks.** Horsemen at both the Sydney and Truro tracks were not satisfied with the race purses being paid. After a month-long closure at both tracks, agreements were reached to allow them to reopen. In Sydney, the agreement runs until March 31, 2003. In the case of Truro, the agreement ends March 31, 2002.

  Neither the tracks nor horse owners make money when tracks are closed, because without agreements the simulcasts are terminated. It is in everyone's best interest that the tracks provide live racing. Higher purses attract more investors to share in the growth, which, in turn, increases the value and quality of the horses, which, in turn, enhances the product, which, in turn, increases the revenue.

- **Telephone wagering in place.** It started in mid 2001. This provides a new avenue of revenue to the Nova Scotia harness racing industry. Initial results indicate profitability in the range of $60,000–$80,000 for the first year. It does not appear to have had a negative impact on the other forms of wagering but rather has brought additional income.

- **Negotiating Maritime telecasting with other Maritime tracks.** The goal is to provide better exposure for Maritime horses. New technology is making the concept more affordable, but it is not yet at a point where it would be profitable. The advisory committee will continue to seek means that would generate a profit to the Maritime industry.

- **Negotiating Maritime Free-for-All Circuit with Other Maritime tracks.** There has been an effort Maritime-wide, to create a financially attractive free-for-all circuit. Negotiations are ongoing, attempting to identify an appropriate purse structure that would attract high-calibre horses.

Strategic Goals

- Form a long-term alliance with the Nova Scotia Gaming Corporation and various government departments.
- Secure adequate long-term funding.
- Provide leadership to the racing industry.
- Revitalize the breeding program.
- Identify new opportunities to generate income.

- Rationalize purse funds to race dates.
- Transfer the cost of race officials to the Council of Maritime Premiers.

Core Business Areas

1. Researching and evaluating alternative funding opportunities.
2. Gathering information and making government aware of initiatives and challenges in harness racing.
3. Funding activities that will grow the industry and reflect the guidelines set out for disbursements.
4. Providing leadership in the development of consensus on issues so industry has a united voice.

Priorities

- Restructure Nova Scotia Harness Racing Inc. such that it becomes a coordinator of the industry committee and has representation from multiple government departments.
- Support track purses such that there is not a shortage of horses and drivers.
- Identify different forms of track wagering that will help supplement live track wagers.
- Maintain and improve stake race funding.
- Reduce the amount of direct government funding required to keep the industry viable.
- Negotiate with other Maritime tracks to create a Maritime telecasting network.
- Negotiate with other Maritime tracks to maintain a Maritime Free-for-All Circuit.
- Move funding for track officials to the Council of Maritime Premiers.

Budget Context

The funding of the last two years has maintained the industry, but the industry elsewhere has access to many more income opportunities. The involvement of The Nova Scotia Gaming Corporation, Nova Scotia Harness Racing Inc., and government departments of Finance, Economic Development, and Tourism and Culture in addition to Agriculture and Fisheries is imperative to identify alternative funding and income opportunities. Lesser funding to harness racing will jeopardize its existence in Nova Scotia.

Provincial Funding Racetrack Allocation 2000–01	Tartan Downs	Truro Raceway	Inverness	Misc./ Combined	$ Allocation 2002–03
1. Purse Subsidy Reimbursement	$135,000	$202,500	$112,500		$380,000
2. On-Track Promotions				$15,000	
3. Advertising Reimbursement	$15,000	$12,148(+)	$2,500		
4. Special Services/ Maintenance	$6,000	$10,000	$4,000		
5. Matinee Track Promotion and Support of 4-H Program				Port Hood— $1,145 Northside— $1,640	$5,000
6. Patron Improvements to Wagering Facilities	$18,000	$30,000	$12,000		$50,000
7. Special Stakes Races	$10,000	$10,000	$10,000		$30,000
8. Operational Costs				$940.12	
9. Atlantic Sire Stakes				$200,000	$200,000
10. Officials—Maritime Harness Racing Commission				$75,000	$85,000
Total Allotment					$750,000
Totals	$184,000	$264,648	$141,000	$298,725.12	

Outcomes and Outcome Measures

Form long-term alliance with the Nova Scotia Gaming Corporation and various government departments

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Industry becomes more competitive with PEI, Quebec, Ontario, BC, and USA	• Stability of industry	• Restructure of Nova Scotia Harness Racing Inc.	• Summer 2002	• Encourage discussions between NSDAF and NS Gaming Corporation

Secure adequate long-term funding

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Stability and growth of industry	• Higher employment, more investment	• Race purses • Breeding stock sales	• Announcement spring 2002	• Inform participants

Provide leadership to the harness racing industry

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Industry changes how it does business	• New Industry initiatives • Race dates and designated weeks • Co-operation among industry players	• Number of agreed ventures • Schedules are modified • United position on issues	• Benchmark 2001–02 • Implemented 2001–02 • Benchmark 2001–02	• Develop trust between sectors through open discussions • Come to agreement on race dates for province • Focus on need to work together if industry is to survive; they must understand the challenges the other representatives face and work together to solve them

[redacted] *Revitalize the breeding program*

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Farm gate income • Higher employment	• Investment in breeding stock and property	• Number of new entrants • Prices for breeding stock • Level playing field with PEI	• Immediately	• Promote government/industry alliance

[redacted] *Identify new opportunities to generate greater income and profit for the industry*

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Better bottom line for tracks and better purses for horse owners	• Higher prices for yearlings	• Prices of horses	• Fall 2002	• Industry funding projects stability • Promote the government/industry partnership; seek out additional funding sources
	• Fewer trainers and drivers leaving region	• New entrants into industry and availability of drivers and trainers	• Fall 2002	• Create opportunities for trainers and drivers to develop careers in region • Create an improved income opportunity for horse owners at local tracks
	• Availability of horses for races	• Race cards filled with healthy horses	• Summer, fall 2002	

[redacted] *Rationalize purse funds to race dates*

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Financial stability of race tracks	• Stability of Industry	• Value of Race Purses • Track contributions to purses	• 2002–03 using 2001–02 as base, government's share does not grow from 2001–02	• Focus on co-operation of participants

[redacted] *Transfer of cost of race officials and Council to Maritime Premiers*

Outcome	Indicator	Measure	Target	Strategies to Achieve Target
• Industry not viewed as paying for its regulator	• Favourable view from outside	• Funds transferred to Maritime Premiers Office for administration	• June 2002	• Promote advantage to government

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Housing Development Corporation

Business Plan 2002–03

Contents

Mission 143
Planning Context 143
Strategic Goals 144
Core Business Areas 144
Priorities 144
Budget Context 144
Outcomes and Outcome Measures 145

Mission

To be a partner to Nova Scotians in fostering healthy communities through housing.

Planning Context

The Nova Scotia Housing Development Corporation is responsible for holding the province's housing assets and consolidating the revenues and expenditures associated with operating these assets. The Minister of Community Services is the corporation's Chairperson and the Deputy Minister is the corporation's President.

The corporation supports the province's housing initiatives to provide safe, adequate affordable, and appropriate housing to low- and modest-income Nova Scotians. It does this by holding the province's housing assets and providing financing tools for other housing solutions. The corporation's business is administered by the staff of the Housing Services Division and the Finance and Administration Division of the Department of Community Services.

The corporation also provides direct lending or loan guarantees to qualifying housing sponsors who demonstrate a need and an inability to secure favourable private-sector financing without such financing assistance.

The corporation is being approached by other departments with proposals for partnering in the construction of new non-profit facilities such as nursing homes, group homes, and assisted living projects. Partnering options are being explored and include contracts for long-term property management of these facilities and long-term leases.

The housing authorities currently use a property management/accounting software package that is over 15 years old. There is a demonstrated need to replace this system with a modern software package that will meet the needs of the corporation, the housing authorities, and the Housing Services Division in the short and long terms. A business case supports this, and the housing authorities are preparing to implement a replacement system in 2002–03. This presents an opportunity for the housing authorities and the corporation to improve the efficiency and effectiveness of their management information systems, and it will provide for more transparent reporting of activities.

The corporation owns a significant amount of land that could be developed for resale, construction of additional public housing units, or construction of special-use facilities for lease to a funding partner for housing purposes. This presents additional revenue-generating opportunity.

Strategic Goals

- To foster healthy communities through housing.
- To ensure a supply of safe, appropriate, affordable, and sustainable housing.
- To optimize access to safe, appropriate, affordable, and sustainable housing.
- To be the coordinating agency for all government housing initiatives in Nova Scotia.

Core Business Areas

In support of the Department of Community Services, the corporation will:

1. Manage the federal government's transfers for social housing as set out in the 1997 Canada–Nova Scotia Social Housing Agreement.
2. Provide mortgage guarantees and/or loans and low-cost financing to qualifying housing projects.
3. Manage the funded reserves associated with provincial housing programs to protect the province from loss through its direct and/or contingent liabilities relating to both the province's housing activities and to the Canada–Nova Scotia Social Housing Agreement.

Priorities

The following are priorities for the 2002–03 fiscal year:

- Document a proposed framework for the new federal/provincial five-year Affordable Housing program.
- Begin to renegotiate the federal/provincial Residential Repair Assistance Program (RRAP), which expires in March 2003.
- Initiate program evaluations for programs delivered through the Housing Services Division.
- Explore use of the lending powers of the corporation to provide financing assistance to qualifying non-profit organizations.
- Implement the new property management system in the housing authorities.

Budget Context

2000–01 Actual	2001–02 Estimate
$3,157,336	$1,746,000

Outcomes and Outcome Measures

[redacted] *Manage the federal government's transfers for social housing as set out in the 1997 Canada–Nova Scotia Social Housing Agreement*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2004-05	Strategies to Achieve Target
• Financially viable social housing portfolio	• Availability of cash resources to fund Social Housing Agreement programs	• Financial position of the portfolio at the end of the Social Housing Agreement	• ($220) million deficit in 2035	• Decrease the deficit position	• Generate additional revenue • Achieve program administrative savings • Create operating efficiencies through improved information technology

[redacted] *Provide mortgage guarantees and/or loans and low -cost financing to qualifying housing projects*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2004-05	Strategies to Achieve Target
• Government exercises more control over capital financing for government sponsored housing	• Optimal capital financing terms are achieved for government sponsored projects	• Number of projects achieving optimal financing terms	• One	• Increase number of projects achieving optimal financing terms	• Convert existing private sector loan guarantees to lower cost financing terms • Increase partnering with other departments and government agencies

[redacted] *Manage the funded reserves associated with provincial housing programs to protect the province from loss from its direct and/or contingent liabilities relating to both the province's housing activities and to the Canada–Nova Scotia Housing Agreement*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2004-05	Strategies to Achieve Target
• Financial reserve funds are adequate; risk of loss to the province is minimized	• Projects in financial difficulty or physical distress	• Number of projects in difficulty as % of the portfolio	• 10%	• Decrease number of projects in difficulty as % of the portfolio	• Improve project monitoring procedures • Provide financial work-outs for projects in difficulty

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Liquor Corporation

Business Plan 2002–03

Contents

Mission 149
Strategic Goals 149
Introduction 149
Core Business Areas 153
Performance 2001–02 154
Budget Context 158
Objectives and Outcome Measures 159

The Nova Scotia Liquor Corporation regulates the sales of beverage alcohol products under the authority of the Liquor Control Act.

Mission:

To operate in a socially responsible manner; provide responsible and progressive customer service with a variety of quality controlled product in modern facilities; generate revenue as a retailer through efficient financial and operating practices; and provide its employees with progressive management, quality of opportunity, and career development.

Strategic Goals

- To promote social objectives regarding responsible drinking.
- To promote industrial or economic objectives regarding the beverage alcohol industry in the province.
- To attain suitable financial revenues to government.
- To attain acceptable levels of customer service.

Introduction

The NSLC now stands for the Nova Scotia Liquor Corporation. Legislation proclaimed on July 26, 2001, appointed a nine-member Board of Directors to replace the previous three-member commission.

Over the years, the NSLC has transformed itself from a control- and distribution-driven dispenser of alcohol to one of the largest retailers in Nova Scotia.

The new corporation has an excellent foundation on which to build. With the new initiatives recently announced by the Minister, the corporation will focus on enhancing selection and continuing to improve customer service, as well as meeting the social objective defined in our legislative mandate. We look forward to working to assist in the growth of the beverage alcohol industry in Nova Scotia; a new responsibility set out in the legislation.

The NSLC's 100 retail outlets are now complemented by eight agency stores (which were opened in 2001) , seven farm and cottage winery stores, four brew-pub outlets, and five independent manufacturers retail outlets. In 2002, there will be further private-sector involvement in the retailing of beverage alcohol with the establishment of a limited number of private wine and specialty stores.

The new corporation's objectives closely follow the NSLC mission statement.

Nevertheless, the board will provide ongoing review of the company's progress in line with its mandate to ensure focus, accountability, and strategic positioning of the NSLC, including enhancing service and the corporate image of the NSLC. As with the development of any business plan, it is important to critically consider internal and external factors that may affect the organization's ability to accomplish its mission and goals.

Team Environment Strengths

Customers: With over 15 million transactions per year, it is important to focus on business at retail. Retail customers can be confident that the products and services they receive are delivered consistently across the province and with the utmost quality and control. Classroom education and correspondence training have equipped the corporation's sales staff to deliver high-quality service to all customers. Managers and more senior personnel have been selected to meet the knowledge and skill requirements of a large progressive retail organization. The retail outlets have been upgraded to enhance the customers' shopping experience and will continue to be retrofitted to meet customer satisfaction objectives.

Human Resources: The corporation's accomplishments over the last decade can be attributed to the dedicated and retail focused work force, the modern and customer-driven retail facilities, the experienced and professional management team, and the overall progressive and continuous improvement business attitude. The staff, although well prepared to handle customer needs, must be provided with a variety of training programs not only to reinforce retail objectives but also to ensure that their work environment remains safe, secure, and healthy. The NSLC is committed to, and fully supports, a number of health and safety initiatives to ensure that the workplace is safe, that staff have the necessary equipment to do their job, and that they are trained to do their jobs in a safe manner. The organization will continue to conduct audits as required under the Occupational Health and Safety Act and ensure that recommendations are implemented in a timely manner. Another goal of reducing the number of accidents in the workplace is to reduce the number of WCB accident claims. A strong attendance/claims management program has been established to assist in reducing the use of sick leave.

Physical/Technology Infrastructure: A number of tools have been instrumental in achieving the organizational goals, including innovative merchandising programs, a comprehensive shelf-management template, up-to-date enterprise resource planning systems, and strategically located modern retail outlets.

Financial Performance: Financially, the NSLC has been successful in returning margins and profit unmatched by any retailer, while maintaining a level of expenditure that is efficient for an organization committed to social responsibility and community endeavors/ involvement.

New Opportunities/ Challenges

A new corporate mandate will produce new opportunities and challenges.

Planning: The NSLC's new Board of Directors come from varied and diverse backgrounds, and their experience will aid in the attainment of our core goals and objectives. Senior management leadership in the day-to-day operations, as well as the strategic direction of the corporation, will continue to be a high priority.

Communications: The NSLC's communications plan must ensure that all issues are dealt with through an open and appropriate communication vehicle. Public perception of the NSLC needs to be addressed through consistent messaging prepared by the corporation's senior officials. All programs and initiatives will be analysed before and after implementation to ensure that the value added is consistent with overall plans. Therefore, information must be constantly focused on timely decision making and performance assessment.

Human Resources: Key staff will continue to be trained under an appropriate succession plan, and individual knowledge and skill training will be updated and applied where applicable. Relationships with employees, partners, suppliers, customers, and all stakeholders will be a priority and will be open, progressive, and fair. Recognition of their accomplishments and the continued development of a successful business partnership are paramount to the continued success of the beverage alcohol industry. Consistent guidelines/policies have been developed to ensure that each employee is treated fairly.

Technology: The technology the corporation employs and uses to effectively and efficiently run the business contains many flexible business tools that are actively and proactively reviewed. Upgrades or changes to this technology, as required by all progressive retailers, will continue to be planned and implemented by the NSLC.

Future Direction/External Environment

Nova Scotia Economy: The Conference Board of Canada Economic Forecast predicts that there will be no recession in the province, although real GDP growth weakened after the events of September 11, 2001. In line with the modest increase in real GDP, employment and personal disposable income will increase only

marginally in 2002. As a result, retail sales growth will decelerate to 2.5 per cent in 2002 from a 3.3 per cent gain in 2001. The forecast for 2003 is positive and optimistic at 4.4 per cent with the unemployment rate decreasing slightly as some sectors regain some momentum. The beverage alcohol industry has traditionally not fluctuated in the same manner as other retailers; however, understanding of the retail market and the needs of NSLC's customer (general and licensee) overall is one guide to consider when developing the corporation's plans.

Retail Environment: The Retail Council of Canada predicts that the retail industry in Canada will be facing numerous challenges, such as fierce competitive pressures, demanding customers, and a struggle to reverse shrinking margins. New opportunities will challenge retailers as they attempt to stay current with technology designed for alternative retailing methods, Internet retailing for example. Beverage alcohol retailing has traditionally not been subject to the same level of fluctuations; however, changing consumption patterns due to the social awareness of the misuse of alcohol, the aging of the baby boom generation, and Nova Scotia's demographic changes are all important issues to consider in future planning at the NSLC. The new competitive environment with the addition of agency stores/private specialty retail outlets will provide new opportunities/challenges to the beverage alcohol environment.

Competitive Marketplace: The NSLC is operating in a mature market, therefore, any additional beverage alcohol retail outlets must be analysed fully with respect to costs versus net profit/return to government. The corporation will work closely with the agency stores to better understand their business opportunities and challenges and streamline our processes to best aid them in their goals and objectives. Partnering with stakeholders to achieve economies is an efficiency the NSLC will continue to explore to expand business opportunities.

Customer Expectations: Customer research is paramount as the NSLC moves towards the continued goal of exceptional customer service. Services, selection, and facilities continue to be reviewed in order to satisfy our customers' needs and public expectations of a retailer of beverage alcohol.

Long-Term Financial Projections

	2002–03	2003–04	2004–05	2005–06	2006–07
Volume (Hectos)	754,044	763,616	772,410	781,615	791,262
Sales ($,000)	426,672	439,736	452,487	465,810	479,744
Net Income ($,000) *	160,240	165,460	170,661	176,120	181,630

** Other opportunities for expense reduction and revenue/gross profit increases will be explored and initiated during the fiscal year to offset any unforeseen and unpredicted volume declines or economic downturns. These initiatives will provide a positive cash flow to the NSLC for the long term.*

Core Business Areas

1. Customer Service

Understand and meet the needs of all customers and stakeholders through the distribution of quality-controlled products and services that are cost effective, value added, customer oriented, and market driven through a network of strategically positioned retail outlets.

2. Financial Responsibility

Generate revenue through effectively managed business practices that are continuously improving, efficient, and value added.

3. Social Responsibility

Achieve recognition in the industry and the community in the promotion of responsible use of beverage alcohol by implementing and participating in programs that reinforce positive messages to the public.

4. Positive Work Environment

Establish a positive work environment that is team oriented, progressive, and motivated through various training and development programs.

5. Enterprise Resource Planning

Develop a fully integrated, efficient, and reliable consumer response system infrastructure for the NSLC, which includes an investment in hardware and software that will support current and future organizational functions. ERP planning must also ensure that system support staff are technically skilled to effectively provide support for computer assets and that appropriate and effective procedures are in place to safeguard information system assets and to ensure the continuity of essential business operations.

Performance 2001–02

- **Port of Wines Program:** The wine category continues to grow significantly, both in volume and in dollars and gross profit. The Port of Wines stores and the Port of Wines Festival are the catalysts in developing this growth. The product mix for Port of Wines continues to develop and enhance sales, profits, and customer satisfaction. The Port of Wines Festival brings more and more customers to the wine category and also encourages existing consumers to buy up in quality and price. The retail Port of Wines consumer is very satisfied with the Port of Wines selection and services. The licensee customer requires more research and one-to one-contact to discuss specific service needs.
- **Contemporary Classics Program:** This year we experienced more participation by significant spirit suppliers into this program. The suppliers produced their own recipes with brand-specific pictures, which greatly enhanced the visuals of this program. We will continue to assess the most successful components of this program (visuals and recipe booklets) and pursue ways to take this program forward as an integrated part of existing shelving activity for both the liqueur and spirit categories.
- **Beers of the World:** Customer satisfaction has increased with the expanded selection and the innovative display techniques we are using to showcase Beers of the World. We have shown strong market growth over the last year and expect to see this segment of our beer market exceed a 5 per cent market share for our fiscal year. The trend toward the premium beer market will allow us continued growth within the segment for a number of years. As both staff and consumer product knowledge increase in this category, so will the development of additional selection and sales.
- **Pricing Policy and Procedures:** NSLC Pricing Policy and Procedures have been updated and will be distributed to the beverage alcohol suppliers before the end of the fiscal year. Current revenue forecasts have been attained, supplier annual business plans have been presented, merchandising program revenue has exceeded forecast, and monthly minor retail price adjustments have been processed (increases and decreases). Regular monitoring of total mark up, contributions and profit per litre is ongoing.
- **Merchandising Management Program:** This program continues to promote products and categories that will provide increased volume, sales and profits to the NSLC through a variety of popular merchandising programs. The

merchandising revenue continues to increase for these programs due to increased supplier participation.

- **Energy Management Program:** Retrofitting has been completed in the Head Office and Distribution Centre as well as in all stores that underwent renovations for the year. Energy costs have declined from the previous year as well as the total kilowatt-hours. This program will continue in our five-year strategic plan.
- **Product Management System:** This project will be completed before the end of the fiscal year. Objectives as outlined at the beginning of the project have been met.
- **Retail Execution 2001:** Our Standards of Excellence retail execution program continues to provide an exceptional standard for customer service, product availability, and general readiness for business at retail. Our customer report card continues to support our efforts and focus on providing excellence in customer service at retail. We are on target to achieve a 90 per cent customer satisfaction rating in the five critical accountability areas of customer service.
- **Store Business Development Strategies:** We remain committed to generating maximum profitability, while containing our operating cost. We are currently on target to achieving both our sales targets and expense containment for 2001–02.
- **Warehouse Review:** The NSLC has issued an RFP (request for proposals) to determine if there is an opportunity to reduce cost, without impeding service. After a detailed review a recommendation was made, and subsequently approved by our Minister, indicating that a business case could not be made that would result in significant cost savings to the Nova Scotia Liquor Corporation. Operations will continue to be reviewed internally to further reduce cost and increase efficiency and productivity.
- **Enhanced Store-Based Inventory Management:** We are on target to achieve 18 turns in our retail stores, by optimizing our inventory management system, while maintaining a core assortment in all stores, and building store product assortments to fit the needs of the individual community that the retail store services.
- **Category Management Program:** Products are listed on an ongoing basis to ensure trends are addressed in the product mix. Categories are groomed on an annual basis. The Category Management Plan for Beer was completed and has been sent out to the trade. Draft Category Management Plans have been prepared for spirits, wine, and coolers and will be completed and sent out to the trade by the end of the fiscal year.

- **Special Order Program:** This program was introduced in July 2001 in an effort to provide the Nova Scotian consumer with an unlimited selection of product available in other provinces and other parts of the world. "Shop The World" allows the public to freely order products not normally sold in NSLC retail stores by using a convenient 1-800 phone number, visiting our website, or just asking store staff. The response was been overwhelming, generating thousands of requests in the first year. This has created another level of service to the public and has increased sales and profit for the government.
- **Physical Resource Plan:** The NSLC continued to renovate retail stores, encompassing our goal of appropriate space utilization. Sales per square feet have increased, occupancy costs have declined or been maintained, and the ratio of retail areas to warehouse areas has increased. This program is an ongoing program and is contained in our five-year strategic plan.
- **Strategic Site Location:** The NSLC continues to explore and evaluate the best possible sites for relocated or new stores. The success of the store in store or adjacent to grocery stores continues to be a key focus to optimize customer convenience and profitability.
- **Alternative Retailing Strategies:** Eight agency stores are now operating in the Province of Nova Scotia (Advocate, Bass River, Wentworth, Iona, French Store, New Ross, Freeport and Whycocomagh). Criteria, terms, and conditions for the private wine specialty shops are being finalized. A public proposal call will be initiated before the end of fiscal 2001–02.
- **Website:** The number of hits to our website continues to increase. Port of Wines Festival products were added this year in advance of the Festival to provide customers with the opportunity to review the products. The Shop the World program has been added, and customers can access the program through our website email.
- **Socially Responsible Retailing Programs:** Our two major focuses are underage drinking and drinking and driving. We continue to deliver Check 25, a proactive ID challenge program at retail. Our highly trained work force issues 250,000 challenges on underage purchasing, buying for minors, and people under the influence. We continue to develop campaigns to address these issues as well as focus on socially responsible retailing, which is a priority for all retail staff of NSLC stores.

- **Vendor Performance System:** Measuring supplier performance has been recognized as a key component to effective supply chain management. Indicators like continuity of supply, quality issues, and promotional activity will continue to play a major role in our listing and delisting policy and identifying key business partners.

- **Excellence in Customer Service Training:** Our retail staff continue to focus on customer service delivery through training and commitment. We have completed over 3000 training modules year to date plus target training on Check 25, Customer Service, and Beers of the World. Our goal of improved customer ratings on service and product knowledge will be achieved for 2001–02, thereby, providing an excellent base and standards for years to come.

Budget Context

Financial Forecast: ($,000)

Actual 1999–00	% to Sales	Actual 2000–01	% to Sales	Projected 2001–02	% to Sales		Budget 2002–03	% to Sales
723,589		725,613		745,718		*Volume (Hectos)*	754,044	
371,365	100.0%	376,404	100.0%	394,686	100.0%	Sales	427,679	100.0%
				285		*Discounts	1,007	
187,609	50.5%	190,735	50.7%	200,119	50.7%	Cost of Sales	217,831	50.9%
183,756	49.5%	185,669	49.3%	194,282	49.2%	Gross Profit	208,841	48.8%
						Expenditures		
33,787	9.1%	33,321	8.9%	34,416	8.7%	Store Operating Exp.	34,980	8.2%
3,850	1.0%	3,980	1.1%	3,663	0.9%	Warehousing & Distribution	3,662	0.9%
3,465	0.9%	3,678	1.0%	3,362	0.9%	Depreciation Expense	2,738	0.6%
8,522	2.3%	8,482	2.3%	8,877	2.2%	Administrative Expense	9,201	2.2%
1,067	0.3%	1,386	0.4%	1,706	0.4%	Other Expenses	1,743	0.4%
2,856	0.8%	3,395	0.9%	3,323	0.8%	Other Revenue	3,832	0.9%
751	0.2%	1,034	0.3%	332	0.1%	Retirement Expense	110	0.0%
48,586	13.1%	48,485	12.9%	49,033	12.4%	Total Expenditures	48,601	11.4%
135,170	36.4%	137,183	36.4%	145,249	36.8%	Net Operating Income	160,240	37.5%

*Discounts pertain to agency and private wine stores.

Objectives and Outcome Measures

1. Customer Service

Objective 1: Customer Report Card

Measurement: Customer grading: store location, product availability, service level, hours of operation, store staff service

Benchmark: 90 per cent

The NSLC commitment is to deliver, on a daily basis, an exceptional retail shopping experience for customers of the NSLC. The corporation expects that customers will continue to judge us against all retail operations, and it is committed to exceeding their expectations on five critical accountability areas: customer service; store location, product availability, service level, hours of operation, and store staff service. The management and staff of all retail stores are constantly upgrading their skills on customer service and product knowledge to ensure the corporation has the ability to deliver the organization's commitment of exceptional retail service.

2002–03	2003–04	2004–05	2005–06	2006–07
90%	91%	92%	93%	93%

Objective 2: Retail Customer Service Levels

Measurement: Product availability

Benchmark: 96.5 per cent

The corporation will provide a 97 per cent merchandise service level to customers, while maintaining a proactive inventory management system. The corporation will continue to provide each retail store with the broadest product selection while maintaining a core assortment, reflecting the needs of the individual community that the store services.

2002–03	2003–04	2004–05	2005–06	2006–07
96.5%	96.5%	96.75%	96.75%	97.00%

Objective 3: Warehouse Service Levels

Measurement: Product fill rate

Benchmark: 97.0 per cent

A continuous supply of product through the supply chain is required to meet customer needs. Unnecessary stockouts can be extremely costly in terms of an inability to satisfy delivery promises to customers and possible lost sales. Maintaining a 97 per cent fill rate will allow for high satisfaction levels, while effectively managing the investment in inventory.

2002–03	2003–04	2004–05	2005–06	2006–07
97.00%	97.00%	97.00%	97.00%	97.00%

Objective 4: Modern Facility Environments

Measurement: Percentage of total stores

Benchmark: 12.0 per cent

As a responsible and progressive retailer, the NSLC is committed to providing safe accessible and non-hazardous environments for both its customers and employees, with modern, shopper-friendly designs. The NSLC will continue to upgrade its physical facilities to implement merchandising concepts that assist in optimizing sales. With technology, customer expectations, and merchandising trends forever evolving, the process for the modern progressive retailer of providing modern retail facilities is an ongoing process.

2002–03	2003–04	2004–05	2005–06	2006–07
12 stores	12 stores	12 stores	12 stores	12 stores
(12.0%)	(12.0%)	(12.0%)	(12.0%)	(12.0%)

Objective 5: Warehouse Productivity

Measurements:

a) Pick crew target (# of cases/man hour)

b) On-time shipment percentage

c) Pick rate (line items) accuracy percentage

Benchmarks:

a) 125

b) 95 per cent

c) 98 per cent

In order to achieve improvements in customer service it is important that products are available when required and meet the demands of our retail outlets. The NSLC's warehouse and distribution facilities will continue to improve their productivity, timeliness, and picking/shipping accuracy. The corporation's objective is continuous improvement, which is in line with the retail outlet objectives with respect to the final customer.

2002–03	2003–04	2004–05	2005–06	2006–07
a) 126	127	128	129	130
b) 96%	97%	98%	99%	100%
c) 98.5%	98.7%	99.0%	99.3%	99.5%

Objective 6: Product Selection

Measurement: Annual increase in customer satisfaction levels in product selection (retail and licensee)

Benchmark: Development of a benchmark and setting future targets will follow research.

The customer satisfaction levels (both retail and licensee) for product mix will be benchmarked from current research, monitored, and improved annually. Analysis by category and subcategory will identify specific selection needs. Programs such as Shop the World and a supplier stocking program will also improve customer access to specific brand preferences.

Objective 7: Economic Development

Measurement: Percentage of total sales

Benchmark: March 2001, 1.29 per cent

Since 1986, Nova Scotia producer outlet sales, which includes cottage industry sales, have grown from just under $800,000, or 0.2 per cent of the market, to over $4.5 million; 1.29 per cent of the market. The NSLC will continue to provide a favourable economic and regulatory climate, subject to trade compliance, for the development and expansion of the local industry, which will enable producers to become more viable and to further develop their businesses by providing a market for their products.

2002–03	2003–04	2004–05	2005–06	2006–07
1.35%	1.40%	1.50%	1.75%	2.00%

2. Financial Responsibility

Objective 1: Sales/Net Income

Measurements:

a) Total sales

b) Net income percentage to sales

Benchmarks:

a) March 2001, $376.0 million

b) 36.0 per cent

As with any large retailer, improvement in sales and volumes is a primary financial objective. Therefore sales/volume forecasting objectives must be monitored regularly to ensure that initiatives to improve are implemented in a timely manner. Strategically located and customer-focused retail outlets, knowledgeable and well-trained staff, and innovative and supplier-partnered merchandising programs all are key drivers to increase our sales revenue to government in order to support public programs. Initiatives such as in-store tastings, supplier price reductions, shelf management, category management, and impulse at cash are effective and efficient methods employed to help achieve the corporation's yearly revenue forecasts.

2002–03	2003–04	2004–05	2005–06	2006–07
a) $426.7	$439.7	$452.5	$465.8	$479.7 million
b) 37.5%	37.5%	37.6%	37.7%	37.8%

Objective 2: Improve/Maintain Gross Profit per Litre/per Category

Measurement: Gross profit per litre/per category

Benchmark:

Spirits	$15.68
Wine	$ 5.51
Beer	$ 1.22
Coolers	$ 2.32

Analysis of profit by category and subcategory of actual versus budget will continue to be done on a monthly basis. Opportunities for profit growth will be identified, and product mix and merchandising activity by category will be fine-tuned. Programs such as Beers of the World, Food for Thought, Contemporary Classics, and Port of Wines will continue to be developed.

	2002–03	2003–04	2004–05	2005–06	2006–07
Spirits	$16.01	$16.05	$16.09	$16.13	$16.17
Wine	$ 5.65	$ 5.66	$ 5.67	$ 5.68	$ 5.70
Beer	$ 1.27	$1.27	$ 1.28	$ 1.29	$ 1.29
Coolers	$ 2.38	$ 2.39	$ 2.40	$2.41	$ 2.41

Objective 3: Operating Expense

Measurements:

a) Overall operating expense as a percentage of sales

b) Store operating expense as a percentage of sales

c) Warehouse operating expense as a percentage of sales

d) Distribution cost per case

Benchmarks:

a) 12.88 per cent

b) 9.00 per cent

c) 1.06 per cent

d) $1.08

The NSLC remains committed to being a low-cost operator through both best and efficient business practices. The corporation's commitment to expense management is to reduce the overall expense expenditure to sales ratio, while improving efficiency and customer service levels throughout the corporation.

2002–03	2003–04	2004–05	2005–06	2006–07
a) 11.4%	11.3%	11.2%	11.1%	11.1%
b) 8.2%	8.1%	8.1%	8.1%	8.0%
c) .86%	.84%	.82%	.81%	.79%
d) $1.08	$1.07	$1.07	$1.07	$1.06

Objective 4: Physical Resource Space Utilization

Measurement: Sales per square foot

Benchmark: March 2001, $610.59

The physical resource space utilization plan addresses the short- and long-term strategic planning of NSLC facilities. It applies consistent guidelines in its criteria for maximizing efficient space utilization for new, renovated, or existing NSLC store facilities. This plan also assists in the long-range planning of resources and projections of capital cost requirements. The utilization of space ensures the store is properly sized, allowing the customer a

comfortable shopping environment. The warehouse portion of the stores must be kept to a functional minimum, while ensuring that the retail area will support maximum sales potential and ever-changing merchandising concepts.

2002–03	2003–04	2004–05	2005–06	2006–07
$711.68	$733.48	$754.74	$776.97	$800.21

Objective 5: Energy Management

Measurement: Containment of kilowatt usage

Benchmark: 15,994,595 kilowatt hours

The NSLC is committed reducing its consumption of energy. This is seen as a social responsibility, which at the same time has a positive impact on reducing store occupancy costs. The energy management program was developed and implemented in 1993–94. Since that time, the NSLC has been able to reduce consumption by almost 2.0 million kilowatt hours. All NSLC facilities have been retrofitted to incorporate the newest technologies and energy-management systems to either reduce or contain the use of energy. As new stores are opened or existing retail outlets are retrofitted, energy-management technologies are included within the design process. All retail outlets are monitored on a consistent basis, with the kilowatt consumption compared to previously established benchmarks.

2002–03	2003–04	2004–05	2005–06	2006–07
15,995,000	15,995,000	15,995,000	15,995,000	15,995,000

Objective 6: Staff Management

Measurement: FTEs

Benchmark: (2001), 752

The NSLC recognizes the importance of establishing optimum staffing levels in order to provide quality customer service while maintaining fiscal responsibility. As a result, FTE numbers are reviewed on a regular basis, and since March 1990, FTE usage has been reduced by 148.8 FTEs, which represents a decrease of 16.5 per cent. This has resulted in the corporation's achieving optimal staffing levels. Future business needs will always be analysed against required staffing complement.

2002–03	2003–04	2004–05	2005–06	2006–07
752	752	752	752	752

Objective 7: Warehouse Inventory Investment

Measurement: Turnover ratio

Benchmark: 2000–01: 11.6 turns

The corporation will optimize inventory investment through just-in-time practices, while providing exceptional customer service levels.

2002–03	2003–04	2004–05	2005–06	2006–07
11.8	12.0	12.2	12.4	12.6

Objective 8: Internal Audit

Measurement: Number of retail audits performed

Benchmark: 2000–01: 40

The NSLC Audit Department determines their audit plans for the next fiscal year based upon a detailed risk analysis of each of the audit universes: retail stores, manufacturers, operations, and information systems. The five-year audit plan is updated as well. The responsibility is to ensure that NSLC's goals and objectives are met, in particular that the NSLC is operating efficiently with respect to financial and operating practices.

2002–03	2003–04	2004–05	2005–06	2006–07
45	50	50	55	55

3. Social Responsibility

Objective 1: Check 25 ID Challenge Program

Measurements:

a) Yearly challenges

b) Reduction in the percentage of refusals

Benchmarks:

a) 225,000

b) 7.6 per cent

The NSLC's socially responsible retailing programs are targeted at promoting responsible beverage alcohol consumption and increasing awareness of underage drinking within all communities in Nova Scotia. Check 25, our ID challenge program, was developed in house and is one of the most extensive in Canada. Retail staff undergo a training and development program to provide them with the skills needed to detect underage purchasing, buying for minors, and people under the influence. The corporation's focus on socially responsible beverage alcohol service will continue to be a priority for retail staff of all NSLC stores.

	2002–03	2003–04	2004–05	2005–06	2006–07
a)	250,000	260,000	265,000	270,000	275,000
b)	6.5%	6.5%	6.25%	6.25%	6.15%

Objective 2: Community Involvement

Measurement: Dollars generated

Benchmark: 2000–01, $67,980

The NSLC continues to be a leader in the support of a number of community activities. Staff support a number of identified charities such as the United Way, Children's Wish Foundation, and the IWK Telethon. In addition, successful blood donor clinics and food bank collections are held at the Distribution Centre on a regular basis. Fund-raising through the use of cash cans in our stores contributes significantly to the local communities. The NSLC goal is to continue to be a leader in the support of the communities in which employees live and work.

2002–03	2003–04	2004–05	2005–06	2006–07
$70,000	$72,000	$74,000	$75,000	$77,000

Objective 3:
Colourful Messages: Drinking and Driving Kills program

Measurement: Level of participation; number of classrooms

Benchmark: 2000–01, 230

We will identify specific schools by school board that are not currently participating, present this program in person to the principals and teachers of these schools, and secure commitments from these new schools in September for participation in November each year. The number of classrooms increased from 190 in 2000 to 230 in 2001.

2002–03	2003–04	2004–05	2005–06	2006–07
232	235	240	245	250

4. Positive Work Environment

Objective 1: Retail Training Modules

Measurement: Manager and full-time clerk completions

Benchmark: 2001, 80 per cent

The NSLC is focused on providing a highly motivated, customer service retail staff providing "excellence in customer service" in all retail stores. The combination of training, development, and customer-service skills, with in-depth product knowledge, has allowed the organization to excel in these two areas of service. The dedicated retail staff have completed over 13,000 training courses designed to enhance customer-service skills and upgrade product knowledge. The NSLC remains committed to exceptional service and knowledge, through continued training and development of all retail store staff.

2002–03	2003–04	2004–05	2005–06	2006–07
80%	85%	90%	95%	100%

Objective 2: Affirmative Action

Measurement: Actual number of staff employed compared to labour market population statistics

Benchmark: Labour market population statistics

The NSLC is committed to developing a workforce, through a combination of recruitment, hiring, and training practices, that reflects the general labour market population. The corporation's objective is to employ staff who reflect the general labour market population of Nova Scotia.

2002–03	2003–04	2004–05	2005–06	2006–07
Meeting standards	Meeting standards	Meeting standards	Meeting standards	Meeting standards

Objective 3: Corporate Training Modules

Measurement: Plan development and actual participation

Benchmark: New program

The NSLC will continue to present opportunities for staff to receive the necessary tools to carry out their job duties and to prepare them for advancement. The NSLC will identify, develop, and require successful completion of designated training modules as a prerequisite for promotions within all aspects of the organization; thereby ensuring that the organization has staff with the necessary skills to perform the required work. Retail modules have been developed, and we are now in year 3 of this successful program.

2002–03	2003–04	2004–05	2005–06	2006–0
Development	25%	35%	45%	55%

5. Enterprise Resource Planning

Objective 1: Information Resource Technology

Measurements:

a) Yearly upgrade plan

b) Training plan

c) Annual strategies review and identification

d) Security access control

The Nova Scotia Liquor Corporation is committed to a level of technology that enables the organization to progress, improve, and meet its short- and long-term objectives through implementation of technology that is cost effective, secure and provides a low level risk to business operations. Data must be secure, accurate, and timely. Users must be provided with the appropriate technology tools that enable them to carry out their duties efficiently and effectively. Data integrity is paramount for customers, stakeholders, and business partners in that information will be provided in a form that is appropriate and applicable to meeting their business objectives. Security access controls are continuously reviewed to ensure that only those requiring access to sensitive databases are permitted entry, thereby reducing the risk of lost, corrupted, or virus-infected data.

2002–03	2003–04	2004–05	2005–06	2006–07
a) # upgraded as planned	# upgraded as planned	# upgraded as planned	# upgraded as planned	# upgraded as planned
b) Courses completed	Courses completed	Courses completed	Courses completed	Courses completed
c) Plan developed	Plan dev.	Plan dev.	Plan dev.	Plan dev.
d) 0 security breaches	0 security breaches	0 security breaches	0 security breaches	0 security breaches

Objective 2: Disaster Recovery

Measurement: Recovery implemented as documented

Benchmark: Disaster recovery planning document

Critical systems must operate continuously with little or no disruption to the flow of our business operations. The development and testing of a comprehensive Disaster Recovery Plan contributes greatly to the continuous operation of the retail business. The plan must be updated to mirror our technology infrastructure.

2002–03	2003–04	2004–05	2005–06	2006–07
Plan updated as required	Plan updated as required	Plan updated as required	Plan updated as required	Plan updated as required

Objective 3: Implement a Warehouse Management System

Measurements:

a) Increased productivity

b) Pick accuracy

c) Reduced losses

d) Reduced clerical costs

e) Improved reporting

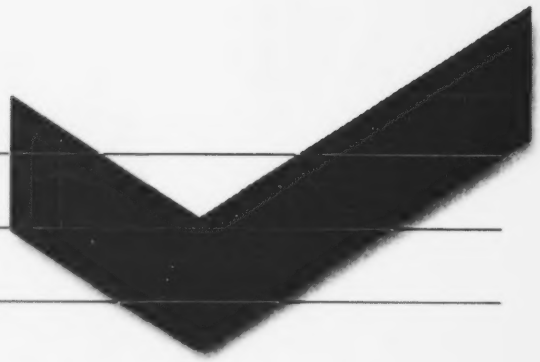
The advantages of a new warehouse management system are based on current industry best practices for warehousing and take full advantage of bar code technology and radio frequency (RF) terminals equipped with scanners. The underlying principle is that all warehouse storage and picking locations will have their own address. There will be significant changes in the warehouse productivity and inventory management. Scanners will be used for receiving, picking, stock counts, and inventory checks.

2002–03	2003–04	2004–05	2005–06	2006–07
Development of system and setting future targets following implementation.				

Crown Corporation

Business Plans

Province of Nova Scotia



Nova Scotia Municipal Finance Corporation

Business Plan 2002–03

Contents

Introduction 175
Mission 176
Planning Context 176
Human Resources 177
Strategic Goals 177
Core Business Areas 178
Priorities 179
Performance 2001–02 181
Budget Context 183
Outcomes and Outcome Measures 184

Introduction

The Nova Scotia Municipal Finance Corporation (MFC) was established by an act of the Legislature of the Province of Nova Scotia in 1979. The MFC concept is widely used in Canadian provinces and American states as a cost-effective, efficient means of raising long-term debenture funds to finance municipal capital projects. Studies have shown that smaller municipalities with lower credit ratings receive the greatest interest savings from MFC participation and that all municipalities can benefit from savings in the cost of administration on outstanding debenture issues.

The corporation's purpose is to provide low-cost financing to its clients, which include municipalities, municipal enterprises, school boards, and hospitals. All municipalities, municipal enterprises, and school boards must finance, and hospitals may finance their external capital requirements through the corporation. Exceptions occur for capital projects funded directly by the Province of Nova Scotia (e.g., most school board capital projects), short-term financing, and certain projects for which funds may be borrowed from other governments. Under current provincial policy, the corporation funds municipal and municipal enterprise capital projects and some school board projects.

The affairs of the corporation are managed by a Board of Directors appointed by the Governor in Council. Forty per cent are appointed on the recommendation of the Union of Nova Scotia Municipalities (UNSM). Three full-time staff of the corporation are supported through staff and resources from the provincial Departments of Finance, Justice, and Service Nova Scotia and Municipal Relations.

As of the 2000–01 fiscal year-end, the corporation had $501,313,000 in debentures issues and $500,206,000 in loans outstanding. Debentures and loans are directly administered by staff of the corporation, with assistance from the Nova Scotia Department of Finance. The corporation also administers sinking fund trusts valued at $20,094,782 on behalf of municipal units for non-serial issues. The administration budget for 2001–02 is $273,000.

The benefits (both in terms of interest rates and administration of issue expenses) of pooling individual municipal capital borrowing requirements would be lost if each municipal unit were to access the market directly. If the province were to raise the funds and make loans directly to municipal units, municipalities would not be represented when decisions were being made on municipal borrowing policies and practices. The formation of the MFC was initiated by the 1975 "Proposal for Municipal Reform" study sponsored by the

Union of Nova Scotia Municipalities. Forty per cent of the membership of the Board of Directors is appointed on the recommendation of the UNSM, a reflection of the desire to have strong municipal representation in the affairs of the corporation.

Mission

To utilize credit enhancement and debt-pooling techniques to meet clients' approved funding requirements at the lowest possible cost.

This is achieved through the issuance of debentures. The corporation pools municipal borrowing requirements, which eliminates the need for individual municipalities to negotiate and administer their own debenture issues. Under the MFC arrangement, the debt issuance functions remain in the public-sector domain.

Planning Context

Plans for the upcoming fiscal year are formulated in accordance with client needs. The MFC must ensure that it has ready access to capital markets and that it has the financial and administrative ability to meet local government demand for capital infrastructure funding.

The operational context for corporation activities in the upcoming year is strongly influenced by the following:

1. Identifying client needs and responding to them. This is an ongoing challenge to any client-oriented organization, and the MFC is no exception. Local governments in Nova Scotia are encouraged to undertake long-term capital planning and explore financing options. The MFC sees its role as one of regular communication with local governments to ensure that they are aware of capital financing options and to develop or adapt products to meet their requirements.
2. Keeping abreast of developments in local government capital finance. As a specialist organization, the MFC is challenged to develop, maintain, and demonstrate an expertise in local government capital finance. A related issue is credit enhancement, where options, in addition to the provincial guarantee or purchase of MFC debentures that is currently used, are bond insurance, revenue bonds, strong stand-alone credit ratings (e.g. BCMFA), expanding the pool of borrowers, and the use of reserve funds. The MFC Board of Directors will take a proactive role with respect to this issue. The MFC communicates with the investment community, other MFCs, local governments outside of Nova Scotia, professional associations, and the academic community.

3. Maintaining financial self-sufficiency. In order to meet its mandate, it is incumbent on the corporation to ensure that it is economically viable in both the short and long terms. This includes a matching of assets and liabilities both as to amount and maturity, maintaining banking arrangements and credit facilities, credit risk, adequate reserves, and the ability to cover administration expenses.

Human Resources

In order to provide the level of staff resources required to meet all priorities of the corporation, the following steps should be taken.

1. Maintain the appropriate investment in staff resources and training to ensure that qualified staff have the tools needed to implement the corporation's strategic goals.
2. Maintain the current emphasis on utilizing up-to-date information technology, which recognizes that improvements in technology are essential to the effectiveness of the operation.
3. Maintain staff and resource support from the departments of Finance, Service Nova Scotia and Municipal Relations, and Justice, in existing operational areas. This support has been excellent in the past and continues to be required if all priorities are to be met.

Strategic Goals

- To work with clients, the province, and the investment community in providing capital financing to our clients at the lowest cost of funds available for their particular debt structure and timing needs.
- To explore and develop new methods and products for meeting the needs of our clients through contact with the investment community, the public sector, and academic research.
- To promote responsible and professional approaches to municipal capital project planning and financing (jointly with the provincial Department of Service Nova Scotia and Municipal Relations)
- To provide a sustainable source of financing to clients by prudent management of all financial aspects of the corporation, which includes credit risk and asset/liability management.

These goals promote low-cost municipal financing for capital infrastructure and long-term financial planning, and support the provincial governments 2002–03 goals and priorities of creating conditions that will grow the economy, fiscal stability, and a professional public service. The MFC goals also support the province's overall goal of "fostering an environment that

allows and encourages Nova Scotians to work, raise families, and stay in Nova Scotia" through its role in financing the community infrastructure needed to encourage and sustain economic development and a number of essential and desirable local services.

Core Business Areas

1. Provide low-cost funds to clients

- Provide financing for clients' approved funding requirements by pooling these requirements and issuing debentures. Separate issues can be arranged for single capital projects in amounts sufficient to permit a public issue, provided they do not preclude a pooled issue for other clients.
- Administer debt issues and loans to further reduce client borrowing expenses. This involves the collection and administration of loans from clients and the payment of interest and principal on debentures outstanding. Other administrative functions include managing computerized loan and debenture systems, issuing income tax receipts to investors, budgeting, accounting, reporting, and office administration.
- Administer sinking fund trusts on behalf of clients. In addition to issuing serial debentures, the corporation also issues bullet debentures, which have no principal payments due until the end of their term. Sinking fund trusts are established for each bullet debenture series, and these trusts are administered by the corporation. The administration includes security purchases, administration of investment income from securities held, analysis of the adequacy of current levels of installment payments to meet loan repayment requirements at maturity, fund valuation at year-end and at maturity, reporting, and accounting.

2. Explore improved methods and products in meeting client needs

- Maintain communication links with the investment community, public-sector finance practitioners, and academics and carry out research as required to enable the corporation to respond to changing client needs.
- Carry out periodic reviews of the present methods of loan approval and credit enhancement and evaluate their suitability to the current environment.
- Prepare and review policy recommendations regarding the corporation's use of financial innovation techniques and instruments.

- Assist local governments in evaluating alternative methods of raising capital project financing, including partnerships with the private sector.

3. Encourage municipal government to adopt and maintain a professional approach to capital project planning and finance

- Educate municipal clients on the topic of capital planning and finance through seminars and field visits.
- Work with Service Nova Scotia and Municipal Relations in promoting an informed and responsible approach to capital planning and finance.

4. Practice prudent financial management to ensure a sustainable source of low-cost funding for local governments in Nova Scotia

- Ensure that an acceptable process is in place for evaluating the creditworthiness of the loans made by the corporation.
- Ensure that the corporation's assets and liabilities (as well as those it manages in trust) are matched in both amount and duration.

Priorities

1. Provide low-cost funds to clients

- To meet all approved requests for debenture funding by issuing debentures for the amount required to meet municipal borrowing requirements (expected to be in the $60- to $80-million range) and lending a similar amount to municipal units and enterprises.
- To meet the capital funding needs of non-municipal borrowers when requested to do so by the Province of Nova Scotia.
- To meet all requests for short-term financing pending issuance of a debenture.
- To meet all requests for bridge financing from municipalities participating in federal/provincial cost-shared infrastructure projects.
- To undertake a review of the process used to determine the creditworthiness of MFC clients
- To administer $501 million in outstanding debentures, which includes the payment of debenture interest.
- To administer $500 million in outstanding loans to municipalities, school boards, and hospitals.
- To invest and administer sinking fund trusts valued at $20 million.

- To continue to compare favourably with other MFCs on the basis of administration costs per loan, new issue placement, and sinking fund administration costs-to-service ratios.
- To prepare an annual assessment of markets, debentures, loans, and corporate activity.

2. Explore improved methods and products in meeting client needs

- To consult with municipal officials on capital financing needs and the preferred features in the debentures issued through the MFC.
- To consult with clients on additional financial services that they may require.
- To continue the initiative started in 2001 to review the present methods of loan approval and credit enhancement and evaluate their suitability to the current environment.
- To proceed with the next steps of the pooled leasing initiative.
- To establish committees, as required by the board, to study the merits of financial innovation regarding the introduction of new products and services.
- To work with the corporation's lead managers and other members of the investment community, staff of the Nova Scotia Department of Finance, other municipal finance corporations, and others involved in municipal capital financing to identify evolving local government financial product needs and the optimum means of satisfying them.
- To maintain the NSMFC website.

3. Encourage municipal government to adopt and maintain a professional approach to capital project planning and finance

- To communicate with existing and future clients.
- To collaborate with staff of the Department of Service Nova Scotia and Municipal Relations in developing responses to municipal capital financing proposals.
- To respond in a timely fashion to all inquiries on interest rate levels, projections, and funding options.

4. Practice prudent financial management to ensure a sustainable source of low-cost funding for local governments in Nova Scotia

- To obtain verification of creditworthiness from the Department of Service Nova

Scotia and Municipal Relations prior to setting the parameters for pooled issues.

- To match the amount, term, and timing of MFC debentures and loans to units.

Performance 2001–02

1. Provided low-cost funds to clients

- Issued $49,924,000 in debentures and on-loaned a similar amount to clients.
- Responded to client needs in a timely fashion by pricing issues within six to nine weeks of formal municipal requests. This length of time is a result of the need for both MFC and the province to preapprove the parameters used when negotiating the debenture issues. Efforts will be made to shorten the time required in future periods.
- Administered $1,141,000 in short-term financing pending issuance of debentures.
- Administered $501 million in outstanding debentures, which included the payment of debenture interest.
- Administered $500 million in outstanding loans to municipalities, school boards, and hospitals.
- Invested and administered pooled sinking fund trusts valued at $20 million.
- Compared favourably with other Canadian MFCs on the basis of administration costs per loan, new issue placement, and sinking fund administration costs.
- Undertook a review of the sinking fund investment policy.
- Prepared an annual assessment of markets, debentures, loans, and corporate activity.

2. Explored improved methods and products in meeting client needs

- Continued with attempts to implement the MFC/interdepartmental/municipal committee recommendation to develop a funding source for a pooled lease financing program for Nova Scotia municipalities.
- Was represented on implementation committees relating to the provincial/municipal roles and responsibility review initiative.
- Provided advice to the consultant responsible for the financial evaluation of a large municipal capital project.
- Discussed trends and developments in municipal capital financing through meetings held between the corporation's lead managers and other members of the investment community, staff of the Nova

Scotia Department of Finance, and other municipal finance corporations.

- Improved the NSMFC website.

3. Encouraged municipal government to adopt and maintain a professional approach to capital project planning and finance

- Conducted 15 field visits during the year.
- Worked with staff of the Service Nova Scotia and Municipal Relations and/or municipal staff in developing responses to municipal capital financing proposals.
- Responded to the information needs of municipalities and the investment community.

4. Practiced prudent financial management

- Obtained verification of creditworthiness from Service Nova Scotia and Municipal Relations prior to setting the parameters for pooled issues.
- Matched the amount, term, and timing of MFC debentures and loans to units

Budget Context

Estimated Budget Expenditures

Core Business (See Note 1)
Core Business 1: Provide low-cost funding to clients
Core Business 2: Explore improved methods and products in meeting client needs
Core Business 3: Encourage municipal government to adopt and maintain a professional approach to capital project planning and finance
Core Business 4: Practice prudent financial management

	Forecast 2001–02 ($,000)	Budget 2002–03 ($,000)
Administration and support	273.3	289.4
Total—Gross current	273.3	289.4
Total—Recoveries and own source revenues (Note 2)	273.3	289.4
Total Program expenses net of own source revenues	0.0	0.0
Salaries and benefits	198.1	209.1
Funded staff (FTEs)	3.0	3.0

Note 1 The corporation's budget is mainly staff salaries and the costs of administering an office. Costs are fixed rather than variable and do not lend themselves to a meaningful allocation among core business functions.

Note 2 The MFC administration costs are covered through a combination of interest income on reserves and a borrowing charge to clients.

Outcomes and Outcome Measures

[redacted] *Provide low-cost funds to clients*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• To provide low-cost funding to municipal units in a timely manner	• Ability to respond to municipal requests for funding for all approved capital projects	• % of approved municipal requests for long-term loans that received MFC financing • % of approved municipal requests for short-term loans that received MFC financing	• 100%	• 100%	• 100%	• Ensure adequate credit approval system
	• Timeliness of MFC response success	• Average number of weeks between long-term loan requests and pooled debenture issue pricing	• 6 to 9	• 5 to 7	• 3 to 6	• Ensure credit enhancement and provincial requirements are in place at the beginning of each fiscal year (Note: Market conditions and trends play a major role in the timing of debenture issue pricing.)
		• Average number of weeks between short-term loan requests and receipt of funds	• 2–3 weeks		• 2 weeks	
	• Quality of credit enhancement used	• Spreads off Province of Nova Scotia	• 6 bp		• 5 bp	
	• Credit enhancement spreads to Prov. of Nova Scotia and other municipalities	• 10 yr. Spreads off Nova Scotia (Note: Unguaranteed. BCMFA and Ont. municipal debt is 8–15 bp higher than their respective provinces.)	• 11 bp		• 10 bp	

[redacted] *Explore improved methods and products in meeting client needs*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• MFC/client awareness of new financial products and features that may help municipal units	• Communication with clients, investment community, academics and public sector counterparts	• % of municipal clients contacted per year	• 35%	• 40%	• 75%	• Field visits, presentations at regional meetings of the Assoc. of Municipal Administrators
		• Number of annual MFC contacts with reps of the financial, professional assoc. and academic groups	• 100	• 100	• 100	• Meetings, conferences and telephone conversations

[redacted] *Encourage municipal government to adopt and maintain a professional approach to capital project planning and finance.*

Outcome	Indicator	Measure	Base Year Measure (state year)	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Optimum uses of capital funds and improved community infrastructures	• Mun. units' use of best practices and adherence to sound capital planning and finance practices	• % of borrowers with a capital budget	• 62%	• 70%	• 95%	• This is the basic multi-year capital planning tool for municipalities
		• % of borrowers with a capital debt policy	• 8%		• 50%	• A capital debt policy is best suited to urban municipalities with high demand for capital infrastructures (new and renewal)
		• % of borrowers with a capital improvement plan	• n/a		• 50%	• The same logic applies to capital improvement plans

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Power Finance Corporation

Business Plan 2002–03

Contents

Introduction 189
Mission 189
Planning Context 189
Strategic Goal 189
Core Business Area 189
Priorities 190
Budget Context 190
Outcomes and Outcome Measures 190

Introduction

Under an asset transfer agreement, dated August 10, 1992, Nova Scotia Power Corporation (NSPC) transferred all of its existing assets, liabilities, and equity, except for long-term debt and related sinking funds, to the privatized company Nova Scotia Power Inc. (NSPI), in exchange for matching notes receivables equivalent to outstanding long-term debt, matching notes payable equivalent to sinking fund assets, and an amount of fully paid common shares. The latter were sold in a secondary offering on August 12, 1992.

Subsequent to the reorganization and privatization, the business activities of NSPC continued under NSPI. Concurrently, the Nova Scotia Power Corporation changed its name to Nova Scotia Power Finance Corporation (NSPFC). NSPFC retained the long-term debt, which is guaranteed by the province and the related sinking funds. The entire original debt of $2,152,879,732, guaranteed by the province, was offset by sinking funds and the balance defeased as per the agreed schedule to December 31, 1997.

In terms of the Nova Scotia Power Reorganization (1998) Act, NSPI was reorganized as a holding company, NS Power Holdings Inc., in December 1998. The holding company structure does not change the underlying obligations under the existing agreements. The holding company changed its name to Emera Incorporated on July 10, 2000.

Mission

To ensure that the debt of NSPC, which is guaranteed by the province, is discharged in an orderly and timely manner.

Planning Context

While the events of September 11, 2001 and resulting aftermath have had a significant impact on the economy in Canada as well as the US, NSPFC continues to be on target of meeting its mission objective outlined above during the course of the current planning horizon.

Strategic Goal

- After December 31, 1997, to monitor the adequacy of the defeasance portfolio and to ensure the repayment of all NSPC debt guaranteed by the Province of Nova Scotia, at the respective debt maturities.

Core Business Area

NSPFC is responsible for monitoring the defeasance and repayment by NSPI of its

debt guaranteed by the Province of Nova Scotia. NSPFC holds notes payable by the NSPI in case of default of NSPC debt repayment. The final guaranteed note matures February 26, 2031.

Priorities

1. To ensure continuing progress towards elimination of NSPC debt guaranteed by the Province of Nova Scotia and defeased by NSPI.
2. To ensure the defeasance assets are of such a quality that the defeasance program will have a very high likelihood of achieving its goals.

Budget Context

NSPFC has no employees. NSPI executes necessary transactions to create and maintain the defeasance portfolio. The monitoring of NSPI debt defeasance is performed by a Board of Directors, appointed by the Government of Nova Scotia, with staff support from the Nova Scotia Department of Finance. The accounting firm of Deloitte & Touche certifies the defeasance assets arranged by NSPC.

Under the terms of the privatization agreements, NSPI is responsible for the payment of all NSPFC expenses.

Outcomes and Outcome Measures

Outcome 1:

Entire outstanding debt defeased in accordance with the Defeasance Agreement.

Measure:

The Defeasance Agreement required the defeasance of a minimum of $1,381,600,000 of outstanding NSPC debt by December 31, 1997. This minimum has already been met and surpassed, with $1,440,290,000, having been defeased by March 31, 1997.

Outcome 2:

Defeasance assets are adequate to ensure the repayment of all NSPC debt guaranteed by the province.

Measure:

Outstanding debt as at 31 March 2001 was C$875,000,000 and US$ 300,000,000; defeased assets as at March 31, 2001 were also at C$875,000,000 and US$300,000,000, thus rendering the guaranteed debt fully defeased. Adequacy of defeasance assets are certified by the auditing firm of Deloitte & Touche.

Crown Corporation

Business Plans

Province of Nova Scotia

Nova Scotia Resources Limited

Business Plan 2002–03

Mission

To profitably manage its asset base in Nova Scotia's petroleum and energy industry by selective participation in ongoing projects and prudent investment in future development opportunities as they arise.

Strategic Goals

In fiscal year 2000 the Province of Nova Scotia decided to place Nova Scotia Resources Limited on the market and hired Scotia Capital to solicit bids for the company and manage the sale process. As of July 30, 2001, NSRL had completed the sale of all the company's Sable Offshore Energy Project (SOEP)-related assets. NSRL received a total of $370 million, representing a purchase price of $355 million plus interest.

The sale of the offshore structures and reserves to Emera Inc. closed on June 15,2001. The sale of the remaining SOEP assets to members of the Sable Offshore Energy Inc. consortium closed on July 30, 2001. Pengrowth Energy Trust has an agreement with Emera regarding the natural gas portion of these assets.

NSRL is continuing to work on the sale of the shares of the company, which continues to hold several miscellaneous assets including interests in 11 Significant Discovery Licences (SDLs).

Crown Corporation

Business Plans

Province of Nova Scotia

Rockingham Terminal Inc.

Business Plan 2002–03

Planning Context

Rockingham Terminal Inc. (RTI) was created as a special-purpose Crown corporation in December 1998 by an Order-in-Council. RTI was created to advance the development of a new container terminal in Halifax to accommodate post-Panamax–size ships.

RTI was established to promote, manage, and protect the interests of the Province of Nova Scotia within the context of the competitive bidding process commenced by Maersk Inc. and Sea-Land Services Inc. In May 1998, Maersk and Sea-Land issued a request for proposals to seven ports located on the northeastern seaboard. The request for proposals was to provide the companies with a facility capable of handling their post-Panamax ships. In December 1998 Halifax was short-listed along with Baltimore and New York/New Jersey.

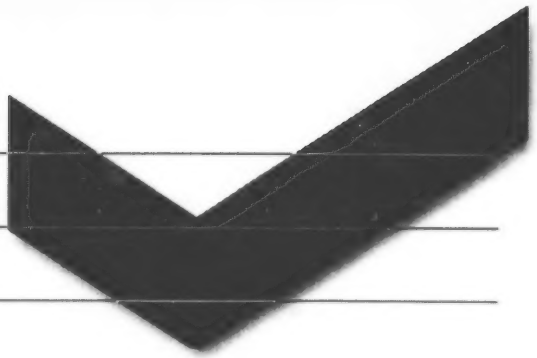
In order to facilitate the development of a proposal, the Province of Nova Scotia, the Halifax Port Corporation (now the Halifax Port Authority), and the Halifax Regional Municipality joined forces as the Halifax Port Group. Following the short-listing of the bid, the Province of Nova Scotia created RTI to act on its behalf during the bidding process. The province, through RTI, was the lead partner in all matters associated with the bidding process, facility development, and financing.

In May 1999, Maersk/Sea-Land announced that they would pursue development of a facility elsewhere. RTI wound up operations and has been dormant since the end of the 1999–2000 fiscal year. It is presently unfunded and inactive, RTI remains incorporated in the event that future port development opportunities arise.

Crown Corporation

Business Plans

Province of Nova Scotia



Sydney Environmental Resources Limited

Business Plan 2002–03

Contents

Introduction 197
Mission 197
Planning Context 197
Strategic Goals 198
Core Business Areas 199
Priorities 201
Budget Context 202
Outcomes and Outcome Measures 203

Introduction

Sydney Environmental Resources Limited was incorporated under the Nova Scotia Companies Act on July 10, 1990. The Governor in Council, Province of Nova Scotia, on the report and recommendation of the Minister of Industry, Trade and Technology and in accordance with the appropriate acts, approved establishment of Sydney Environmental Resources Limited (SERL), formerly Sydney Tar Ponds Clean-Up Inc., on March 26, 1991.

SERL is organized around three units:

- Planning and Administration
- Operations
- Contract Services

Mission

To maintain the physical assets of the former Sydney Tar Ponds Clean-Up Inc.; secure Nova Scotia's land holdings within the Muggah Creek Watershed and Sydney steel plant site; assist in the decommissioning of industrial structures on the steel plant site and adjacent Nova Scotia lands; and provide various labour-related services to the management of Sysco and the Sydney Tar Ponds Agency (NS).

Planning Context

Real and significant progress is being realized in shaping a plan for the clean-up of the Muggah Creek Watershed. SERL anticipates that the government partners in the process will formulate a new overarching agreement in the 2002–03 fiscal year to replace the current Memorandum of Understanding. Consequently, it is anticipated that Nova Scotia will continue to be active in the clean-up process and will require the support and specialized expertise of the SERL in Sydney as part of its overall involvement.

Thermal destruction technologies remain on the short list of clean-up methods proposed for the Muggah Creek Watershed. Therefore, it is reasonable to assume that the assets of the former Sydney Tar Ponds Clean-up Inc. under SERL's charge could be of consequence in the clean-up of the tar ponds and coke ovens. Therefore, it is considered important to maintain the technology at a level appropriate to support the use of the existing infrastructure.

The Government of Nova Scotia is committed to decommissioning the Sydney steel plant site. The decommissioning plan is, among other things, based on expedited processes, fiscal responsibility, accountability, environmentally safe practices, and harmonious relations with

labour. SERL contributes to the realization of these objectives and expects to continue this practice throughout the decommissioning.

Nova Scotia has extensive land holdings within the Sydney area formerly used in steel making and related activities. Large-scale inoperative industrial structures can be found in some areas of the province's land holdings. SERL has deployed personnel in the removal of hazardous materials (largely asbestos) from these structures and anticipates that it will be continuing this practice in the interests of the shareholder.

SERL provides site security services for Nova Scotia's industrial land holdings formerly used in steel making. It is anticipated this responsibility will continue to reside with SERL.

In terms of the fiscal year 2002–03, there are issues or challenges with the potential to significantly affect SERL operations, some of which are largely beyond the company's immediate control:

- Thermal combustion is understood to be a viable technology in the clean-up of Sydney Tar Ponds and the coke ovens. Independent experts as appropriately used in the destruction of the coal tars have certified the fluidized bed incinerators now being maintained by SERL. However, SERL cannot be certain that a final recommendation on a clean-up technology will include use of the units.
- SERL is active in decommissioning the steel plant site under contract to the Province of Nova Scotia's agent for Sysco and its principal contractor on site. Either or both parties may alter the current working relationship, resulting in the diminishment or termination of SERL's role.
- There is no long-term certainty that SERL will continue its current role in the provision of security, contracting, or labour pool services to the site or become directly involved in directing future site activities.

The corporation maintains its head office at 1 Inglis Street, Sydney, and reports to the Minister of Transportation and Public Works, Province of Nova Scotia.

Strategic Goals

- To support Nova Scotia in its environmental and health and safety objectives through the provision of a range of specific services appropriate to planning and cleaning up the Muggah Creek Watershed as articulated by the government partner.
- To pursue Nova Scotia's long-term environmental, health and safety, economic and fiscal objectives, specifically respecting the former steel

plant site, by remediating the area through the decommissioning of significant industrial structures in a cost-effective and safe fashion.

- To protect Nova Scotia's fiscal position in the eventual clean-up of the Muggah Creek Watershed by maintaining the assets of the former Sydney Tar Ponds clean-up, until such time as a decision on clean-up technologies is made.
- To secure Nova Scotia land holdings within the Muggah Creek Watershed and protect the province's interests in the site.
- To ensure co-operative, productive labour relations with the collective bargaining unit involved in providing decommissioning service of industrial structures and securing lands formerly used in the steel production process.
- To maintain an effective working relationship with Sydney Steel Corporation and its agents and assigns and to provide contracting and labour services as required.

Core Business Areas

1. Support Nova Scotia's involvement in the Muggah Creek Watershed clean-up

SERL will support the Sydney Tar Ponds Agency (STPA(NS)) in discharging Nova Scotia's responsibilities as lead agency within the framework of the Memorandum of Understanding between government partners and the Joint Action Group on Environmental Clean-up. Where required, administrative staff (complement of three) at SERL will provide essential clerical and other administrative support services to supervise designated contracts, provide administrative infrastructure, coordinate site logistics, establish and maintain necessary financial tracking processes, and coordinate communications between STPA(NS) representatives working on the file.

2. Maintenance

Until such time as a final recommendation is forthcoming on a clean-up technology for the Sydney Tar Ponds, SERL will maintain the co-generation complex at the north end of the steel plant site, in particular the twin fluidized bed incinerators. SERL will do so to ensure efficient recommissioning of the complex, if requested, at minimal cost and to provide the required independent technical and scientific information to support use of the combustion technology in the safe and efficient destruction of waste coal tars at Muggah Creek. In keeping with past practices, SERL will maintain the complex on the basis of a carefully structured maintenance plan. Where

necessary, expert inputs will be secured to ensure the highest standards in the maintenance effort.

3. Security

Within the framework of the Memorandum of Understanding between government partners and the Joint Action Group, SERL will deploy trained, experienced personnel to secure Nova Scotia's land holdings within the Muggah Creek Watershed, in particular the coke ovens site. SERL continues to undertake this work, cognizant of the importance of protecting Nova Scotia's interests and minimizing provincial liability. By special arrangement with the agent for the Province of Nova Scotia on Sysco, SERL will ensure that the entire steel plant site is protected through the provision of quality, professional, expert security.

4. Sysco Site

By special arrangement with the agent for the Province of Nova Scotia on Sysco, SERL will assist in decommissioning the large-scale industrial structures throughout inoperative sections of the former steel plant site in an economical and safe fashion, in compliance with Nova Scotia's objectives respecting the remediation of the site and in the interests of long-term community/ economic development within the Sydney area. The work will be undertaken strategically to reduce the financial obligations of the province, provide meaningful employment for displaced steelworkers and trades personnel, transfer skills to improve the employability of participants, address Nova Scotia's environmental obligations, strengthen relations with the local community, and engender new household income to the benefit of Cape Breton.

5. Asbestos Abatement

At the behest of the shareholder, SERL will undertake to decommission inoperative structures on lands owned by the province and formerly employed in the steel-making process. Among other things, this involves removing hazardous materials (asbestos) from the structures to ensure workplace safety.

Priorities

1. Support Nova Scotia's involvement in the Muggah Creek Watershed clean-up

- Complement and support the work of the STPA(NS) in the JAG process.

2. Maintenance

- Maintain the co-generation complex.
- Ensure that fundamental systems are in readiness for recommissioning, if required.

3. Security

- Provide coke ovens and steel plant site security.
- Restrict access to the site.
- Minimize risk to health and safety.
- Prevent loss of property.

4. Sysco Site

- Provide decommissioning contractor and labour services for industrial structures at Sysco.
- Engage and direct unionized labour at the request of Sysco.
- Execute all directives to the satisfaction of Sysco and its agents.

5. Asbestos Abatement

- Carry out sbestos abatement on Nova Scotia lands.
- Mobilize unionized labour in the complete removal of asbestos from all industrial structures on lands north of the steel plant site owned by Nova Scotia.

Budget Context

Estimated Budget Expenditures by Core Business

Core Business	2001–02 Actuals ($,000)	2002–03 Budget ($,000)
1. Support Nova Scotia's involvement in the clean-up of the Muggah Creek Watershed	412	415
2. Maintenance	710	665
3. Security—Sysco and Coke Ovens	147	144
4. Sysco Site	40	41
5. Asbestos Abatement	208	249
Administration and support	158	161
Total—gross current	1,675	1,675
Recoveries	325	325
Total—program expenses net of recoveries	1,350	1,350
Salaries and benefits	752	746
Funded staff (FTEs)	24	24

Outcomes and Outcome Measures

[redacted] *Support Nova Scotia's involvement in the Muggah Creek Watershed clean-up*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• To provide administrative and contracting support to Nova Scotia's involvement in the Muggah Creek Watershed	• Utilization by STPA(NS) and Sysco in site decommissioning and clean-up projects	• Responsiveness to requests for service	• Development of capability person-years of workers deployed	• Full deployment of resources person-years of workers deployed	• Full deployment of resources person-years of workers deployed	• Maintenance of trained labour pool

[redacted] *Maintenance*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Successful recommissioning of co-generation complex in the clean-up of the Muggah Creek Watershed	• Thermal destruction part of technology evaluation for Muggah Creek Watershed clean-up	• Thermal destruction short listed as potential clean-up method	• Thermal destruction accepted as a major contender for the clean-up	• Decision as to whether destruction recommended as the clean-up technology	• Preparations under way to recommission or dismantle co-generation complex	• Maintain equipment at a high level • Independent assessment of the condition and readiness of the technology

[redacted] *Security*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Secure sites—no unauthorized access or loss of property or claims against the province	• Incident reports, daily reports, and procedural reviews	• No incidents	• No incidents	• No incidents	• No incidents	• Ongoing training and staff skills enhancement • Continual enhancement of procedures • Comprehensive reporting systems

[redacted] *Sysco site*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Assisting with successful deconstruction of steel plant structures and restoration of the site	• Progress reports by the agent for Nova Scotia at Sysco	• Outcome assessed against the objectives and goals of the Sysco decommissioning plant	• 25% complete decommissioning	• 70% complete decommissioning	• Project completed according to the decommissioning plan	• Trained personnel • Progressive work plans • Systematic management of personnel • Frequent and regular communication among lead agencies

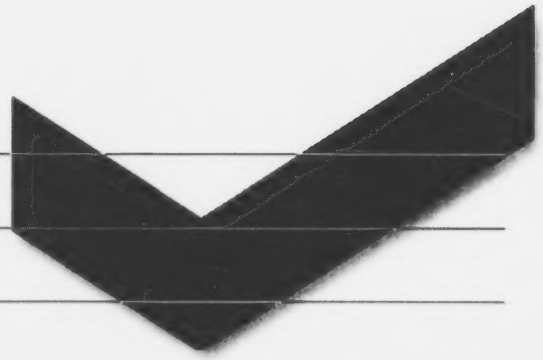
[redacted] *Asbestos abatement*

Outcome	Indicator	Measure	Base Year Measure 2001–02	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Successful removal of asbestos from industrial structures adjacent to the co-generation complex on provincial lands	• Internal reports and regulator comments and reports	• Outcome assessed against original work plans and internal documentation	• 30% complete asbestos abatement	• 70% complete asbestos abatement	• Project completed according to the work plan	• Trained personnel • Progressive work plans • Systematic management of personnel • Frequent and regular internal communication • Partnership with regulators

Crown Corporation

Business Plans

Province of Nova Scotia



Sydney Steel Corporation

Business Plan 2002–03

Contents

Mission 207

Planning Context 207

Strategic Goal 208

Core Business Areas 208

Budget Context 208

Mission

To manage the remediation and development of the former steel plant property located in Sydney, Nova Scotia.

Planning Context

Established in 1967 by an Act of the Legislature, the corporation's object is set out as follows:

The object of the corporation is to continue the operations of Sydney Works for a sufficient time to assess the long-term future of Sydney Works and give effect to that assessment.

Sydney, Nova Scotia, is the industrial heartland of Nova Scotia. For hundreds of years, its economy was driven by the production of coal and steel. Changing technology and world market patterns brought an end to Sydney's steel industry.

In 2000, after several unsuccessful attempts to sell the mill, the Province of Nova Scotia closed Sysco and appointed a receiver (Ernst & Young) to sell the corporation's assets. In 2001, all remaining employees were provided severance or retirement packages. During this same period a demolition firm was hired to remove the majority of the buildings on the site, effectively ending over a century of steel production in Cape Breton.

In conjunction with the province's decision to close and dismantle the mill, the receiver was instructed to develop a strategy to liquidate the assets on the site and to redevelop the property for future uses. It is envisioned that the redevelopment will encompass a development strategy for the 180-ha (445-acre) site, as well as a physical master plan that could be used to guide future development, both of which are currently being prepared by Environmental Design and Management Ltd (EDM).

The goals for EDM are to

- identify the role of the Sysco property in the future development of the greater Sydney area
- identify market segments and industries that will be attracted to the property
- leverage as much existing infrastructure as possible (wharf, buildings, rail, etc.)
- develop a physical master plan that can be used to direct future infrastructure investment and market the site
- provide opportunities for market-driven job creation
- ensure that all environmental regulations are adhered to as the property is redeveloped
- reflect the opportunities and concerns identified by local stakeholders and the community surrounding the property.

The site is well positioned within the Cape Breton Regional Municipality and is seen

as integral to CBRM's growth strategy. Sysco enjoys a large amount of industrial-grade infrastructure. In addition to the wharf and back-up lands, there are rail links to the mainland, truck access, large volumes of process water available, and excellent access to power.

Despite limited marketing efforts, there is interest in the site. In December 2001 the corporation signed a lease with Provincial Energy Ventures for the wharf and back-up lands. This portion of the Sysco site will principally be used to blend and transport coal. Provincial Energy Ventures has pledged to spend over $10 million in upgrading this facility over the next 10 years. The terms of the lease require Provincial Energy Ventures to make the wharf and associated services available at market rates.

Timing of environmental testing and land development are dependent in large measure on the ongoing demolition and identified site usages.

Strategic Goal

Focusing on its short-term core business areas, Sysco intends to take all necessary actions to facilitate the future site usages identified in the draft physical master plan.

Core Business Areas

1. Liquidation and sale of major equipment and scrap
2. Demolition
3. Development strategy and physical master plan for the site
4. Redevelopment of the site
5. Environmental testing—Phase II assessments of priority areas
6. Efforts to attract new business opportunities to the site

Budget Context

The Province of Nova Scotia has accounted for the anticipated costs of decommissioning the site and addressing the environmental remediation issues.

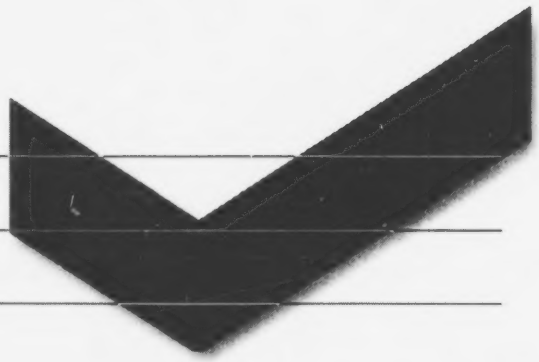
Budget Context

	Forecast 2001 ($)	Budget 2002 ($)
Revenue	3,994,000	12,490,000
Expenses:		
Payroll	535,000	745,000
Consulting	922,000	1,080,000
General and administrative	861,000	4,099,000
Security	438,000	672,000
Demolition and remediation	1,722,000	7,592,000
Limestone quarry remediation	0	350,000
Sysco prior expenses	810,000	175,000
	5,288,000	14,713,000
Surplus (Deficit)	(1,294,000)	(2,223,000)

Crown Corporation

Business Plans

Province of Nova Scotia



Trade Centre Limited

Business Plan 2002–03

Contents

Introduction 213
Mission 214
Planning Context 214
Strategic Goals 214
Core Business Areas 215
Priorities 216
Corporate Commitments 217
Performance 2001–02 217
Budget Context 219
Outcomes and Outcome Measures 220

Introduction

Trade Centre Limited (TCL) was created in November 1981 by Order-in-Council as a Crown corporation and also incorporated under the Nova Scotia Companies Act. The Province of Nova Scotia is the beneficial owner of all shares of the company. The company reports to government through the Minister of the Office of Economic Development. The original mandate defined the primary purpose of the company as to oversee and administer the activities related to the Trade Centre complex. A secondary purpose is to promote the facility, Halifax, and Nova Scotia. In 1982, an agreement was signed between the City of Halifax and the Province of Nova Scotia that gave management of the Halifax Metro Centre to TCL, although the city was to continue to accept financial responsibility for any and all costs of operation in excess of revenues. The two facilities/properties are indivisibly linked in all aspects of physical plant and interdependent in all operations, which is necessary to achieve maximum efficiencies in all areas of performance.

In the fall of 1994, Trade Centre Limited adopted a comprehensive strategic plan to chart a course and guide the direction of TCL for the next five years. A process for annual review is in place to ensure that the strategic plan remains vibrant and relevant in the extremely competitive business environments in which it operates and at the same time to continue to act as an economic generator for the Province of Nova Scotia.

As a result of the strategic direction established, it was recognized that maximum productivity and efficiency are achieved through interdependence and communication.

Events Halifax was added as a business unit in 1999–2000. Its mandate is to actively seek large sporting and cultural events for Halifax. This unit provided support services in preparation of the successful bid to hold the 2003 World Junior Hockey Championships here in Halifax.

In November 1999, Trade Centre Limited was directed by the Government of Nova Scotia to take over and manage the facilities at Exhibition Park. This transfer of management capitalizes on TCL's expertise in sales and events management in both the meetings and conventions industry and the entertainment industry. As part of this initiative TCL was asked to support the formation of a new fall fair and to assist in making it the pre-eminent agricultural fall fair in the Maritimes. The Maritime Fall Fair Association (MFFA) was created as a not-for-profit society in December 1999. TCL has assumed responsibility for the MFFA as of April 1, 2001.

Trade Centre Limited has embarked on a second five-year plan, which incorporates

these two new entities as an integral part of our operations for successful future growth. As a result of this new strategic direction, a new mission statement was defined that integrates the strengths of all TCL's business units and positions TCL to move forward by working together.

Mission

To create economic, social, and cultural benefits for all Nova Scotians by delivering the best in business, hospitality, and entertainment products and services, as the leading Nova Scotia centre of community activity.

Planning Context

Trade Centre Limited business is significantly affected by the state of the economy as the majority of our business depends upon a successful and thriving economy. Conventions and trade shows are active during prosperous business times; and entertainment events are more attractive to people enjoying full employment with a disposable income available for leisure activities. Our planning this year will focus on containing our controllable costs while continuing to move forward in attracting more future bookings. We have made significant capital investments in the last two years, most notably at Exhibition Park and a major renovation to the Port Royal Level of the WTCC. We feel we are now poised to grow our business. Our customers are anticipating and looking for more value-added services, which we can provide. Some of those services are driven by advances in technology with which we must keep pace, while being mindful that increased customer service should not diminish our expected financial returns on such investments.

The competition in our markets is increasing exponentially as more municipalities across North America realize that convention facilities are tremendous economic generators—the economic return to the community far exceeds the initial capital investment and ongoing operating costs. With this in mind, we need to move forward, while being cautiously optimistic operationally in the short term. Strategically, within the next five years we must have in place our plans for major capital investments for expansion of the Convention Centre and modernization and expansion of the Halifax Metro Centre if we are to remain competitive in the marketplace and be the convention/entertainment capital for Atlantic Canada.

Strategic Goals

As a result of the new strategic initiatives, the following strategies are guiding the business plans for TCL:

- Enhance TCL's performance in business, hospitality, and entertainment sectors through facility, product, and service development.
- Establish strategic partnerships to position Halifax and Nova Scotia as attractive alternatives for business, hospitality, and entertainment opportunities.
- Increase TCL's overall computer literacy and technological capability to maximize effectiveness.
- Deliver a consistent level of distinguished customer service that support TCL's leadership position in product and service delivery.
- Build a flexible, highly skilled adaptable work force and environment, representative of the community, with the capability to adapt easily to change.
- Communicate to Nova Scotians the economic, social, and cultural benefits derived from participation in the business, hospitality, and entertainment industries.

Core Business Areas

- To act as an economic generator and catalyst by providing facilities and services in the industry markets for conferences, conventions, consumer shows, trade shows, international trade, entertainment, sports, agricultural fairs, and cultural activities for the benefit of Nova Scotians.
- As interdependent business units, to provide opportunities to achieve operational efficiencies and financial savings while offering "one-stop shopping" for activity planners and event promoters, enhancing revenue opportunities.
- To contribute to the growth of tourism and business development by attracting visitors and delegates to Halifax as "the destination."
- To reflect the positive aspects of a partnership between provincial and municipal governments to create economic activity that is mutually beneficial.

The following seven business units provide and support our core business.

1. The World Trade and Convention Centre

It provides the necessary facilities and services to attract meetings, conventions,

and trade shows that will have a major impact on the economy of the province.

2. The World Trade Office Tower

It provides Class A commercial office space to the government and to businesses in the private sector that have a significant interest in and relationship to the type of business activity that is generated by the facilities.

3. The Atlantic Canada World Trade Centre

As a franchise member of the World Trade Centers Association, an organization of 310 world-wide trade centres, it provides trade-related services to Atlantic Canadian companies seeking to expand their operations in the global marketplace.

4. The Halifax Metro Centre

The largest sports/entertainment complex and trade show in Atlantic Canada complex in Atlantic Canada, it provides a venue that complements and enhances Trade Centre Limited's capability to handle convention and trade show activities and acts as a main catalyst to draw national and international sports and entertainment activities to the Atlantic region.

5. Events Halifax

Events Halifax's mission is to position and sell Halifax as a national and international preferred city to host major sporting and cultural events.

6. Exhibition Park

Exhibition Park is run as an integrated business unit of Trade Centre Limited, identified by its unique location and market audience. It is the home of the annual Maritime Fall Fair and offers an opportunity to showcase the Nova Scotian agriculture industry and provide needed trade/consumer show space.

7. Maritime Fall Fair Association

Trade Centre Limited has assumed operational and financial responsibility of the association as of April 1, 2001. It is a not-for-profit association established to operate an annual agricultural fair at Exhibition Park.

Trade Centre Limited has been successful in creating and maintaining this effective economic partnership between the province and municipality to their mutual benefit.

Priorities

The attached budget details the financial plan to achieve our goals of financial independence in the short term for

operating fund subsidies and our ability to contribute to our financial needs for capital improvement funds in the long term.

These are ambitious goals at a time when there has been an unprecedented growth in the number of comparable facilities worldwide, creating a very tough and competitive market in an industry that has also seen a simultaneous reduction in levels of attendance and service requests, resulting in declining revenues.

Our continuous efforts to achieve revenue growth by devising new products and services, by constant monitoring of those revenues, and by use of effective cost controls have allowed us to accomplish what we have to date. Through an effective and ongoing strategic planning process, we will continue to contribute to our future success.

Corporate Commitments

- We respect the trust our shareholders have placed in us and are committed to managing their resources wisely while maximizing returns.
- We value each employee's contribution and are committed to providing a mutually supportive relationship that benefits both employer and employee.
- We are committed to providing distinguished service to our customers.
- We value our suppliers' role in helping us provide top-quality products and services and are committed to fair and equitable dealings with them.
- We respect diversity and are committed to building a representative work force.
- We are committed to providing a safe and healthy work environment.
- We are committed to a culture that encourages and supports creativity and innovation.
- We value courage in decision making and are committed to capitalizing on business growth opportunities.
- We are committed to enriching the lives of Nova Scotians through economic, cultural, and social benefits associated with our industry.

Performance 2001–02

- The World Trade and Convention Centre was host to a significant number of medical conferences this year: the Canadian Pharmacy Association with 600 attendees, the Canadian Anaestheologists Conference with 500 attendees, and the most prestigious Canadian Cardiovascular Association Conference with 2600 cardiovascular specialists from across Canada. The LIONS International Conference drew 2600 persons worldwide, despite its

occurrence close to the September 11 crisis. The Nova Scotia Oil and Gas Conference and Trade show continued to grow with more than 1000 persons in attendance representing this industry worldwide. We were also pleased to host The Assembly of First Nations, which welcomed 700 senior band chiefs and personnel from across Canada for discussions of national issues. It should be noted that Halifax Metro Centre plays an integral role in the majority of large conventions, which reflects the true team and symbiotic approach to all of our business units.

- Exhibition Park, in its revitalized facility, hosted the second Maritime Fall Fair, a 10-day event that brings a new focus and new interest to agricultural fairs and its bid to become the pre-eminent agricultural fair in the Maritmes. The crisis of September 11 allowed us to offer comfort and compassion to stranded travellers on their return home to the United States. The outpouring of generosity and compassion from local individuals, families, organizations, and our staff helped to continue to define TCL's role as the "community centre."
- The Atlantic Canada World Trade Centre is actively involved in organizing the World Trade Center Association's annual conference, scheduled for October 2002. It is expected to attract 600 delegates from 330 world trade centres, with over 100 countries being represented. This will be another first for Canada hosted by Nova Scotia.
- The Trade Centre Limited team is an active participant in all aspects of the organization for the World Junior Hockey Championships to be held from December 2002 to January 2003. This event alone is anticipated to generate in excess of $14 million of economic activity for the community and province.
- The World Trade Office Tower continues to maintain occupancy levels in excess of 99 per cent and continues to be a premier and sought-after downtown office location.
- There have been many occasions over the years where this special interdependent relationship and partnership has continually showed its success in attracting unique opportunities and event activities that would not have been possible if done independently.

Budget Context

For the years ended March 31

	2001 Actual	2002 Estimate	2003 Estimate	2004 Estimate	2005 Estimate
Revenues	$9,364,233	$10,083,797	$10,587,987	$11,117,386	$11,673,256
Expenses					
Event operations	3,343,843	4,1[illegible]15	4,349,431	4,719,132	5,120,259
Salaries and benefits	2,084,012	2,186,905	2,241,578	2,297,617	2,355,057
Operating, maintenance and administration costs	2,820,638	2,854,138	2,911,221	2,969,445	3,028,834
Taxes and insurance	836,922	915,000	1,000,000	1,000,000	1,000,000
	9,085,415	10,098,358	10,502,229	10,986,195	11,504,150
Income before other items	**278,818**	**(14,561)**	**85,758**	**131,192**	**169,105**
Other income					
Gain on disposal of assets	5,440	—	—	—	—
Interest income on short-term investments	160,985	125,000	75,000	100,000	125,000
	166,425	125,000	75,000	100,000	125,000
Income before depreciation	$445,243	$110,439	$160,758	$231,192	$294,105
Depreciation	1,547,111	1,650,000	1,650,000	1,650,000	1,650,000
Income (loss) for the year	**$(1,101,868)**	**$(1,539,561)**	**$(1,489,242)**	**$(1,418,808)**	**$(1,355,895)**

Note: Revenues and expenditures of the Halifax Metro Centre are not reflected in this budget. The Halifax Metro Centre is owned by the Halifax Regional Municipality and operated by Trade Centre Limited under a management agreement. All operating deficits or surpluses accrue to the municipality, and all capital improvements are funded by the municipality.

Outcomes and Outcome Measures

[redacted] *To operate TCL successfully, financially, independent of requests for operating funds*

Outcome	Indicator	Measure	Target 2002-03	Target 2004-05	Strategies to Achieve Target
• Maintain a level of profitability to ensure that the operating needs of TCL can be met independently of a need to request operating funds from the province	• Annual audited financial statements	• Income before depreciation	• Income before depreciation of $160,758	• Income before depreciation of $294,105	• Increase in revenue growth by 5% each year • Increase number and effectiveness of strategic partnerships • Increase use of technology and staff training levels

[redacted] *To make TCL the preferred destination for business, hospitality and entertainment products and services in Canada*

Outcome	Indicator	Measure	Target 2002-03	Target 2004-05	Strategies to Achieve Target
• To generate more economic, social, and cultural opportunities for the HRM and Nova Scotia	• Levels of attendance, event activity bookings, and meals served • Annual Economic Impact Report	• Number of events, number of customers, and number of days facilities are used per year	• Increase number of event bookings by 10% • Increase number of customers by 15% • Increase number of event days by 10%	• To achieve maximum facilities capacity	• Increase use of technology and employee training • Provide a consistent level of distinguished customer service • Increase efforts in marketing

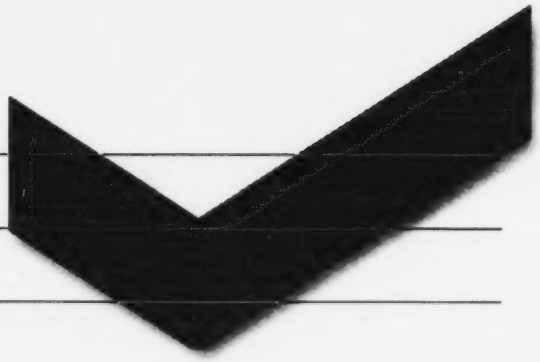
To position the Maritime Fall Fair to be the pre-eminent agricultural fair for Maritime Canada

Outcome	Indicator	Measure	Target 2002-03	Target 2004-05	Strategies to Achieve Target
• To highlight the importance and contribution of the agriculture sector in the Nova Scotia economy	• Net income for the event	• Number of attendees, corporate sponsorship, and number of participants	• Financially self-sufficient	• Financial contributor to facility growth	• Increase in attendance by 10% annually • Increase number of corporate sponsorships by 10% annually • Increase in participation by exhibitors

Crown Corporation

Business Plans

Province of Nova Scotia



Waterfront Development Corporation Limited

Business Plan 2002–03

Contents

Introduction 225
Mission 225
Planning Context 225
Strategic Goals 226
Core Business Areas 226
Priorities 227
Budget Context 229
Outcomes and Outcome Measures 231

Introduction

Waterfront Development Corporation Limited is a Crown corporation established in 1976 to revitalize the waterfronts of Bedford, Dartmouth, and Halifax. Its current mandate includes

- property acquisition, management, and development within designated areas in Bedford, Dartmouth, and Halifax
- marketing and promotion designed to attract public use of the waterfronts
- coordination and planning of the waterfronts of Bedford, Dartmouth, and Halifax, including championing assets owned by the province throughout the entire harbour

The corporation has a staff of 13: seven involved in planning, development, and administration, and six in maintenance and parking operations. The corporation's ordinary revenues ($2.8 million in the year ended March 2001) are derived primarily from building and ground leases (37 per cent) and parking lot operations (63 per cent). In the year past, expenses were approximately $2.3 million and are made up of property expenses (maintenance and repair, taxes, depreciation, 36 per cent), corporate overhead, including planning (24 per cent), interest expense (36 per cent), and contribution to public facilities, both owned and non-owned (4 per cent).

Mission

To serve as champion of a dynamic vision and to plan, coordinate, promote, and develop properties, events and activities on designated waterfronts within Halifax Harbour.

Planning Context

The financial health of the corporation is largely dependent on revenue sources from parking fees and tenant rents. Loans of the corporation are guaranteed by the provincial government allowing an interest rate 1 per cent below prime. Decreasing interest rates have positively contributed to our financial health and the ability to carry out capital projects and partner with others. Should interest rates rise dramatically there would be a significant impact on the ability of the corporation to carry out its programs. Similarly, should there be a regional economic downturn, revenue sources from parking and tenants could be reduced, as well as from private-sector partnerships in the development of waterfront properties and public facilities.

The lion's share of the corporation's property assets are on the Halifax Waterfront. The corporation has been working jointly with Halifax Regional Municipality to achieve a financially viable plan. This Halifax Waterfront Openspace

and Development Plan has yet to be approved by Halifax Regional Municipality. Full implementation of the plan with its significant open space and reduced development intensity is dependent on achieving a financial partnership agreement with Halifax Regional Municipality. In Dartmouth, the achievement of a harbourfront walk is dependent on municipal contributions and private sponsorship, which will have to be negotiated. In Bedford, the continuation of the fill project and creation of additional land for development requires the resolution of current legal actions and achieving an acceptable plan for resolving land ownership.

The expanded mandate of WDCL in Dartmouth and Bedford has been augmented by an increase in staff complement funded for a one-year term by our shareholder. There is some interest to have the corporation become more active in waterfront issues around the entire harbour. Such an expanded mandate will require changes in operational budget.

Other challenges include successful resolution of legal actions inherited when the Bedford Waterfront Development Corporation was amalgamated, developing a successful strategy for marine business development in Dartmouth Cove, and seeking private and public-sector financial support for certain capital projects.

Strategic Goals

The corporation's strategic goals are to:

- provide infrastructure, opportunity, and support for further public and private investments that will enhance the capital region as a place to do business, invest, and visit
- enhance the quality of the waterfronts for residents and visitors
- create the opportunity for continuing economic growth by creating increased leisure traffic, meeting and convention activity, and additional commercial space

Core Business Areas

1. (a) Acquisition, (b) management, and (c) development of waterfront property in Bedford, Dartmouth, and Halifax.
2. Marketing and promotion of the waterfronts as centres of year-round activity and interest for residents and visitors.
3. Coordination and planning of waterfront activities and development.

Priorities

1(a). Aquisition of waterfront property in Bedford, Dartmouth, and Halifax

- Acquisition/disposition of assets essential for realization of waterfront plans.

1(b). Management of waterfront property in Bedford, Dartmouth, and Halifax

- Continue property leasing and parking operations to provide funds for investment in further development
- Promote/advertise berthing opportunities in Bedford, Dartmouth, and Halifax.

1(c). Development of waterfront property in Bedford, Dartmouth, and Halifax

- Implement the development plan for the Halifax Waterfront, including calls for proposals for private development and further investment in public infrastructure.
- Implement the development plan for Dartmouth Cove through calls for proposals or reinvestment and leasing of properties.
- Secure or negotiate a partnership with private-sector land and water-lot owners adjacent to Phase II in Bedford.
- Resolve legal actions related to Phase I Bedford.
- Improve public facilities in all waterfront areas, in particular washrooms and public spaces.
- Evaluate feasibility of investment in existing properties for new or existing tenants.
- Undertake repairs to existing deteriorating infrastructure along the Halifax Harbourwalk.
- Finalize residential development opportunity in Dartmouth.

2. Marketing and promotion of the waterfronts as centres of year-round activity and interest for residents and visitors

- Implement interpretation panels signage program.
- Implement signage guidelines in the waterfront district.
- Co-operate with Downtown Development Commissions in promoting business development.
- Provide support to annual waterfront festivals and events such as the International Buskers Festival, Halifax

Natal Day celebrations, the Atlantic Film Festival, Halifax Winterfest, and Bedford Days Festival.

- Source and encourage new events and festivals to use the waterfront(s) as event sites.
- Increase small cruise ship visitation to the corporation's wharves.
- Provide leadership, in co-operation with the Maritime Museum of the Atlantic, in advancing a visiting ships program, to include periodic tall ships visits and a potential biannual tall ship race from Boston to Halifax.
- Continue to take leadership role on an initiative to promote the use of George's, McNab's, and Lawlor's Islands.
- Develop a visitor survey for the waterfront district.
- Develop a communications plan to expand public relations coverage with media interviews, paid advertising, direct mailings, and participation in business networking sessions and events.

3. Coordination and planning of waterfront activities and development

- Complete feasibility study for a marine centre/aquarium.
- Champion and coordinate with Halifax Regional Municipality on waterfront park and trail development along the Dartmouth waterfront and seek public and private-sector funding support.
- Continue to establish partnership/policy agreements with Halifax Regional Municipality in areas of planning and maintenance.
- Champion a solution for the surplus Coast Guard base in Dartmouth.
- Partner in the planning and development of the Nova Scotia Hospital lands in Dartmouth.
- Resolve title issues associated with certain water lots claimed by the Halifax Port Authority.
- Provide a leadership role in initiating a harbour visioning process.
- Work jointly with Parks Canada and Halifax Regional Municipality to seek infrastructure funding necessary for opening George's Island to visitors.
- In co-operation and partnership with Halifax Regional Municipality, provincial agencies, and the private sector, develop a plan for a trail from the Macdonald Bridge to the Woodside Ferry Terminal.
- Assess alternatives and develop a plan for Bedford Phase II, including meeting a commitment for a public boat launch.

Budget Context

	2000–01 Actual ($)	2001–02 Budget ($)	2001–02 Forecast ($)	2002–03 Budget ($)	2003–04 Budget ($)	2004–05 Budget ($)
Revenue						
Rent	1,028,600	1,005,226	1,193,830	1,169,884	1,195,489	1,214,648
Parking	1,762,390	1,855,340	1,954,022	1,998,599	1,877,658	1,763,826
Recoveries	1,778	3,694	9,333	2,000	2,050	2,101
Interest Revenue	11,327	13,835	33,000	6,000	4,000	2,000
Int. Rev. (Infrastructure Fund)		24,000		14,000	42,490	57,977
Other	333,424	25,000	600,000	25,000	25,000	25,000
	3,137,519	2,927,095	3,790,185	3,215,483	3,146,687	3,065,553
Property Expenses						
Operating	538,984	390,225	555,000	577,771	616,215	631,621
Taxes	47,365	57,784	19,900	21,000	21,525	22,063
Amort. and Deprec.	327,578	320,000	326,141	326,000	326,000	326,000
Non-owned infrastructure	6,136		144,627			
	920,063	768,009	1,045,668	924,771	963,740	979,684
Income Before Other Items	2,217,456	2,159,086	2,744,517	2,290,712	2,182,947	2,085,869
Corporate Expenses						
Directors	21,798	35,000	29,859	32,000	35,000	35,000
Office Op.	55,464	52,961	65,000	65,000	66,625	68,291
Audit	12,050	10,506	27,000	14,000	14,350	14,709
Consultants	86,823	120,000	94,314	190,000	60,000	60,000
Legal	15,066	24,600	18,000	20,000	20,500	21,013
Public rel.	1,923	5,046	5,000	6,000	6,150	6,304
Promotions	6,306	60,000	9,000	60,000	60,000	60,000
Salaries and ben.	283,616	278,025	319,338	357,600	366,540	375,704
Staff expenses	57,494	67,240	72,000	69,000	70,725	72,493
NS Gov't. Recoveries			(23,000)	(55,200)	(56,580)	(57,994)
	540,540	653,378	616,511	758,400	643,310	655,518
Loan interest	805,126	793,000	456,000	388,000	312,000	376,000
Net Earnings	871,790	712,708	1,672,006	1,144,312	1,227,637	1,054,351
Plus: amort. and deprec.	327,578	320,000	326,141	326,000	326,000	326,000
Less: infrastructure fund contrib.		400,000	400,000	400,000	400,000	400,000
Funds available for dev't.	1,199,368	632,708	1,598,147	1,070,312	1,153,637	980,351
Development Project Exp.	503,892	1,395,600	1,278,895	583,000	2,990,000	1,643,000
Borrowing for dev't projects	(1,000,000)	762,892	(319,252)	(487,312)	1,836,363	662,649
Other funds—dev't projects						
Land sales	0	0	224,571	1,100,000	0	0
Grants and recoveries	0	0	0	187,500	187,500	500,000
NS Gov't contribution	0	0	0	112,400	112,400	112,400
Total other funds—dev't projects	0	0	224,571	1,399,900	299,900	612,400
Ending cash	(149,024)	(43,094)	(5,201)	(17,989)	45,548	(4,700)

Budget (continued)

	2000–01 Actual ($)	2001–02 Forecast ($)	2001–02 Budget ($)	2002–03 Budget ($)	2003–04 Budget ($)	2004–05 Budget ($)
Increase (decrease) in debt	(1,000,000)	(400,000)	700,000	(1,900,000)	1,600,000	0
Loan balance, end of year	**10,100,000**	**9,700,000**	**11,500,000**	**7,800,000**	**9,400,000**	**9,400,000**
Sinking fund balance, end of year	**400,000**	**800,000**	**824,000**	**1,214,000**	**1,656,490**	**2,114,467**
Prime rate			6 50%	5.00%	5.00%	5.00%

Outcomes and Outcome Measures

[redacted] ***Acquisition of waterfront property in Bedford, Dartmouth, and Halifax***

Outcome	Indicator	Measure	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Disposition of non-waterfront Dartmouth land	• Sale of property	• % sold	• 100%	• 100%	• Proposal call

[redacted] ***Management of waterfront property in Bedford, Dartmouth, and Halifax***

Outcome	Indicator	Measure	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Continuing growth in net revenue	• Net revenue	• % increase	• 3%	• 9%	• Increase efficiency and rates, • Control expenses • Increase occupancy
• Increased usage of berthing facilities	• Revenue	• % increase	• 10%	• 30%	• Advertising • Improved management

[redacted] ***Development of waterfront property in Bedford, Dartmouth, and Halifax***

Outcome	Indicator	Measure	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Implementation of plans for Bedford, Dartmouth, and Halifax	• Development proceeding	• Area of private and public space developed	• 0	• 1 block developed	• Proposal call for Salter Street block
• Initiation of partnership for Phase II development, Bedford	• Purchase and/or partnership agreement	• N/A			• Settle outstanding legal issues • Seek partner
• Improvement of public facilities	• Visitor satisfaction	• Number of new facilities	• 4	• 8	• Seek funding • Invest WDCL funds directly
• Renewal of infrastructure	• Upgraded facilities	• $	• $100,000	• $500,000	• Use infrastructure fund and private-sector $ for renewal

[redacted] ***Marketing and promotion of the waterfronts as centres of year-round activity and interest for residents and visitors***

Outcome	Indicator	Measure	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Installation of interpretive signage	• Signs in place	• % complete	• 40%	• 100%	• Solicit private sponsorship
• Promotion of festivals and events	• Increased usage of waterfronts	• Number of person-visits	• Increase 200,000	• Increase 500,000	• Provide support (in cash, kind, and staff) for events
• Promotion of harbour island usage	• Islands open for visitors	• Number of visitors	• 0	• 30,000	• Promote to governments • Assist with shoreside facilities

Coordination and planning of waterfront activities and development

Outcome	Indicator	Measure	Target 2002–03	Target 2004–05	Strategies to Achieve Target
• Co-operation with municipal and provincial governments on planning of Dartmouth lands	• Plans completed	• N/A			• Invest WDCL resources in planning • Seek other funding
• Uniform maintenance standards throughout capital district	• HRM, WDCL, and private properties well maintained	• Visitor and stakeholder satisfaction			• Co-operate with HRM and BIDCs on common standards and delivery methods
• Development plan for Bedford Phase II, including public facilities	• Completion of plan	• N/A	• Development plan		• Invest WDCL resources and seek public inputs
• Coordinated approach to the development of the entire harbour, including islands	• Plan for entire harbour	• % completed	• 0	• 50%	• Invest WDCL resources • Seek public and private co-operation and investment